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MANAGEMENT

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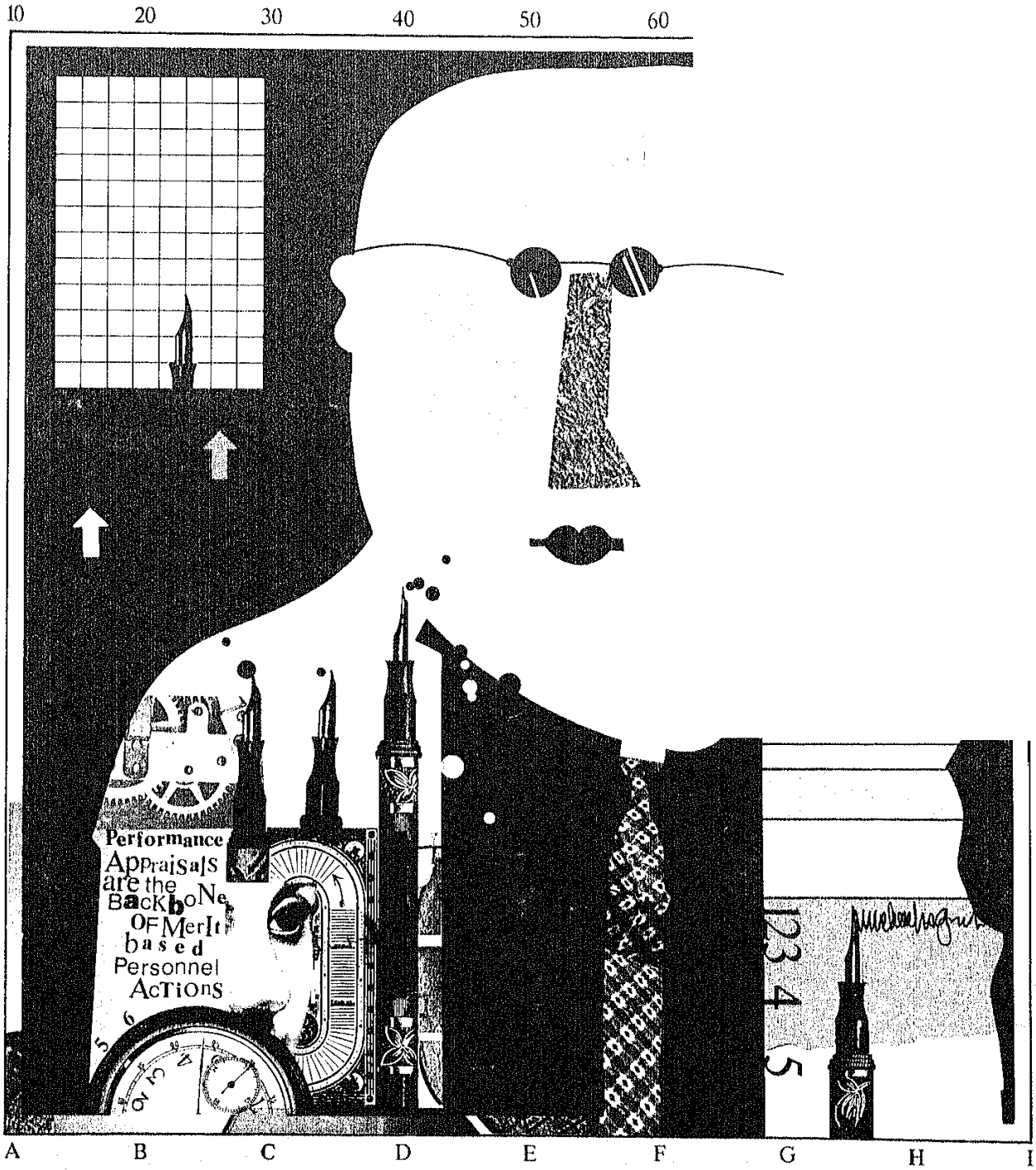
APPRAISING PERFORM



No Job Is an Island

As this issue of **Management** goes to the printer, survey cards from the Winter issue are still coming in. We will print complete survey results in the next issue. In the meantime, we are learning answers (even to some questions we didn't ask)—and have become aware of one specific complaint, expressed in this typical comment: "Don't know who was responsible, but I didn't receive Winter 1981 until May. Too much time lag. Most of info was outdated."

For the record: The Office of Personnel Management does not make the major distribution of the magazine; the Government Printing Office and the printing contractor do. GPO handles distribution to readers who buy individual subscriptions through the Superintendent of Documents, and the printer, on contract with GPO, makes bulk shipments to Federal agencies that provide copies of the magazine to their employees.

If you receive your copy late, it may be that there is a slight delay in mailing at the Government Printing Office or at the printer. It is much more likely, however, that the delay is in your agency; the magazines may be sitting unnoticed on some loading dock while employees in the mailroom await internal distribution instructions.

Although we cannot control agencies' distribution practices, we do have a GPO mailing list for each issue of the magazine. If you have a distribution problem, give us a call (202-632-4400) and we can tell you where your agency's shipment was delivered.

Given the fact that we are not part of the distribution problem, we do acknowledge that we had better be part of the solution. Because no job is an island. Rather, each is part of a process. In the case of a publication, the process ranges from capturing and communicating ideas down to the nitty gritty details involved in locating a carton of magazines. So we need to know as much as possible about the whole process —even the parts that aren't in our job description—in order to make the whole process work.

Come to think of it, your job is probably like that, too.

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Director
Donald J. Devine
Deputy Director (Acting)
Arch S. Ramsay
Director, Office of Public Affairs
Patrick S. Korten
Editor
Lee Treese
Art Director
Michael David Brown, Inc.
Editorial Assistants
Lynn Alfalla
Efstathia A. Siegel
Sarah Wellborn Leung
Graphic Assistant
Woody Schuler
Photographer
Tony Jackson

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"A FRESH LOOK AT THE STATUS QUO . . ."

by Donald J. Devine, Director
Office of Personnel Management

". . . the primary responsibility of government personnel management is to uphold the civil service rules and regulations."

New Administrations are compelled to take a fresh look at the *status quo*. This is one of the real benefits of elections, and really our whole form of government. This dynamic process is no different for the Reagan Administration than for those in the past.

Over the past eight months, as Transition Team leader and as Director of the Office of Personnel Management (OPM), I have been impressed by how well OPM and the rest of the personnel community have accepted the spirit of the Civil Service Reform Act.

The law brought about major changes in our civil service system. It provided for an elite corps of top-level executives, the Senior Executive Service. Members of the SES are held accountable for their performance, and there is an incentive system to further encourage the best quality work.

The Civil Service Reform Act permitted OPM to delegate certain responsibilities to the agencies in order to increase flexibility in dealing with personnel matters. This was meant to encourage agencies to foster sounder management practices on their own, and to allow agencies to meet their unique needs without being bound by unnecessarily rigid rules.

The Act mandated the very important innovations of performance appraisals and merit pay so that accountability is built into the work of government. And Title VII codified government responsibility in the labor-management relations field to encourage agencies to bargain with the appropriate unions and to consult with them whenever changes in personnel practices are contemplated.

The past Administration accepted the opportunity for change which was presented, and aggressively began to implement those aspects of the law that were innovative. They rightfully took advantage of the interruption in the inertia to which the government personnel system had become accustomed.

It is the responsibility of new leadership, however, to assess these changes, to sit back and evaluate. As we have done this, it has become apparent that, in the enthusiasm to

"Even where we give out responsibility, there is, in law, an even greater responsibility to ensure that agencies comply with the law."

implement innovations, there has been a not-surprising, consequent deemphasis upon the traditional responsibilities of OPM as a civil service agency. I do not say this in criticism. If there had not been aggressive seizure of the opportunity by the past Administration, nothing would have changed. But now it is time to redress the imbalance which has developed.

The new Administration approaches its reassessment in the field of personnel management with great respect for the role which the civil service as an institution has played in our past. Through world war and depression, through the turbulence of the Vietnam era to the fall of a President, the civil service has provided the framework of continuity which has allowed our government to survive whatever shocks it has been required to meet.

An appreciation of the civil service as an institution makes one realize that the primary responsibility of government personnel management is to *uphold the civil service rules and regulations.* When one looks at the law, it is very clear that oversight of, and responsibility for, these rules remain the first responsibilities of OPM. And this is an obligation also to be faithful to the spirit of the law; to uphold the principle that personnel decisions must be based upon merit. It was a commitment to merit that first legitimized the civil service as an institution in 1883.

All programmatic goals of the new Administration for Federal personnel policy must grow out of this commitment. This means that OPM must exercise strong oversight responsibility. Without enforced rules for personnel management, there would cease to be a civil service system. In a sense, the rules are the civil service. Without them, the government would consist of a myriad of independent fiefdoms that have no code unifying them as an institution.

One concrete example of the need for greater oversight is *classification standards protection.* Whether one likes a classification system or not is beside the point: it is the law. Yet, a recent study showed that the classification system is not working as it should. Eleven percent of all positions are overgraded, but only three percent undergraded. Some error will occur, because systems devised by human beings are fallible. As a statistician, however, I cannot accept that error will be so disproportionately committed on only the overgrading side of the equation. Something systematic is taking place. Undoubtedly, some upgrading simply reflects change in the more sophisticated types of work performed in our technologically advancing age. But no one I have talked with thinks that is the whole explanation.

I recently had the opportunity to visit two of our OPM field installations. The trip was enlightening to me for several reasons: one was to learn that many OPM evaluators are not convinced that the Washington office will back them up if they point out irregular or incorrect procedures or actions in classification by the agencies.

Let me make it clear: this Director of OPM will back anyone who reports abusive practices in the civil service system.

When I say I will back up our enforcement officers in the field, I mean that I will go all the way up to the President, if that is what it takes to rectify errors in the system.

Enforcement of essential civil service regulations and principles is our primary task. That is why, ultimately, OPM exists. If OPM delegates all authority to the agencies, then there is no civil service system. Where we give out responsibility, there is, in law, an even greater responsibility to ensure that agencies comply with the law. The statute gives OPM the power to re-

"In a period of pay compression, bonuses are an important mechanism for rewarding our best managers."

"Good faith actions should not subject individuals to potential costly lawsuits."

quire corrective action in areas in which we find problems. This oversight duty is clearest in the very section of the law that provides for delegations.

These are core responsibilities. And they mean protecting the rights of all civil servants, not just management. OPM will continue to be management's adviser, but our first obligation is to protect the whole service, every employee, so the integrity of the institution is preserved.

A second concrete manifestation of this mission is the *financial integrity and efficiency of our retirement system.* Early textbooks in public administration made it clear that fiduciary responsibilities are the primary ones of public managers. There is no more important such duty than to take actions that would reduce our Federal retirement system's unfunded liability and its large case backlog. The civil service cannot be effective unless we guarantee employees who have given a lifetime of service that government will respect the bargain made when they joined the government service, that we will give the benefits we promised in a timely manner.

While we are making progress in this area, we have a long way still to go. Before OPM can effectively teach management to the rest of government, it must get its own house in order and better administer those programs for which it has direct responsibility.

The agencies, in turn, can also do better by providing OPM with the necessary claims information more promptly than they are at present. If OPM is to serve its proper function as custodian of the Federal retirement system, it is going to require the full assistance and expertise of the whole civil service, not just those at OPM headquarters. We need the help of all Federal managers, and all of the friends of Federal personnel.

Third, in our management role we must look to *performance appraisals* as a major tool. The new system will not be a panacea. But, it offers some hope. Performance appraisals are the only tried management tool that can be implemented within a reasonable period of time, and that can help us manage the Federal government in the short-term.

The system we must implement will not be perfect, but it is the one we can put into effect by October 1, the date set by law for its implementation. Average citizens are shocked to hear that the government does not already have such a system. They are accountable to their supervisors in private enterprise, and they think those in government should be, too. The people demand it, and the law requires it.

How can we expect to motivate employees unless there is a mechanism to evaluate their progress? It is only human nature that the best work will be done when that work will be judged by someone else. Government employees are not any different in their basic motivation than those in the private sector.

While I have received some optimistic reports about progress in this area, I remain concerned about the potential gap between general approval of plans and the specific mechanics of putting the system into operation. I am especially concerned about getting the message out to field installations, and getting employees and unions involved in the process.

It is critical to have employees' involvement. The literature shows that even technically poor plans, with employee support, work well. Morale is higher when employees know what is expected of them. And managers perform better when they understand their employees' work, and their own, better. Through performance appraisals we can significantly upgrade the quality of job performance and at the same time increase the satisfaction employees obtain from their work. Good management needs many types of incentives. That is why I have set the *merit and bonus systems* as a fourth priority. This goes to the heart of the mission of a personnel management establishment.

Although the bonus system for senior executives and merit pay for managers have been under attack, I have been outspoken before Congress and the public to preserve them. In a period of pay compression, bonuses are an important mechanism for rewarding our best managers. They are vital to improving the management of government. Since bonus awards are tied to performance appraisals, they work in tandem to reward excellent performance, where all too few such tools now exist.

Fifth, it is time to accomplish substantial *reform in our pay system.*

It is important that we move to a system of Federal pay comparability that can be respected by employees, citizens and Congress. Our current legal definition is

". . . our first obligation is to protect the whole service, every employee, so the integrity of the institution is preserved."

"We intend to support our executives against unfair attacks, and to encourage employee and union participation wherever appropriate."

not believed to represent an accurate measurement by the public or Congress. President Reagan has proposed a package of total compensation comparability, not unlike that proposed by the past Administration. Frankly, I think that in the long run Federal workers can only earn more money each year under a new formula that includes benefits as well as pay. And it is a good deal this year. For the fact is that if pay reform were passed this fiscal year, it would result in the same 4.8% pay level increase proposed by the President.

Certainly, we need at least to try to institute a new system so that we can avoid the constant battle each year over pay raises which results in alternative plans and which benefits no one, especially not the Federal worker.

Sixth. Since good management means taking risks, we need to *guarantee employees who make difficult decisions that they will be protected from private lawsuits for alleged violation of Constitutional rights.* The only way to limit the inhibitions a Federal employee may harbor about making a controversial decision is to protect him or her from outside attack. He or she should be accountable to superiors in government, knowing wrongful actions will be met with swift penalties. But good faith actions should not subject individuals to potential costly lawsuits.

The only constituency for this kind of protection is Federal employees and their friends. That is why I need your support to help amend the Federal Tort Claims Act to provide employees with more protection against lawsuits which serve to harass capable public servants.

The final area envelops the previous points. OPM should undertake new efforts to *recruit the most qualified women and men into public service.* We cannot do this until we make necessary changes in personnel management. This means back to basics in carrying out traditional duties.

This Administration wants to make government work. We recognize that Federal workers have a great impact on the quality of government. And although our plans call for a smaller government and fewer employees, it does not mean employees will be any less valued. Indeed, they therefore will become more valuable.

The Reagan Administration will do its part. It will respect the proper domain of the career service and follow the rules of the civil service. Although we cannot give as much support as we would like in monetary terms in a time of restraint, we intend to be positive about the contribution of government employees. We intend to support our executives against unfair attacks, and to encourage employee and union participation wherever appropriate.

But nothing should blind us to the need for change. People have demanded fundamental readjustments in three successive Presidential elections—for Presidents Nixon, Carter and now Reagan have pledged to reform the system of too much power in Washington. And be sure that the Reagan Administration is dedicated to making these fundamental changes. The President has said that this is the goal of his Administration, and his budget message shows he is serious about it.

But these changes are not ends in themselves. The President has said that his Administration is "not cutting the budget simply for the sake of sounder financial management. This is only a first step toward returning power to the States and communities, only a first step toward reordering the relationship between citizen and government."

We are in a time of challenge and opportunity. Did you ever wonder what it must have been like to be part of government service during the New Deal? It must have been exciting. New ideas percolated to the top policy-making levels in government. There was a special mission of which all civil servants felt a part. Creativity was required from public employees. The nation was deeply mired in a national emergency, yet there was optimism that something could be done to get the country back on track. There was not time to be bored on the job. There was important work to be done.

We can enjoy some of that same excitement today.

President Reagan's program will mean special challenges to the Federal work force. It will not easy to meet those challenges. in cooperation with dedicated servants, I am confident th[e] Reagan Administration [will] responsibilities to im[prove] ment services while hest interests of the Federal employees.

HOW TO WRITE PERFORMANCE ELEMENTS AND STANDARDS

By Efstathia A. Siegel

Anyone familiar with Federal personnel matters is aware that the role of Government and the effectiveness of Federal service are being scrutinized and reevaluated. The public, the Congress and the Administration require accountability by Government for the cost and efficiency of the services it provides.

At the operating level, Federal supervisors and managers are responsible for providing that accountability. One way to accomplish this is through the establishment of job-related performance elements and standards (performance plans) that state and measure what a job requires for successful performance. Given their importance in helping determine promotions, awards, training, and reassignments, performance appraisals are the backbone of merit based personnel actions.

The appraisal process now required by law should provide an overview of a unit's effectiveness in providing Government services. If established as intended, individual performance plans can provide managers with the focal point and leverage needed to attain organizational goals. At the beginning of an appraisal period, a manager can set organizational goals, take account of the resources available and establish a plan for achieving the goals, based on available resources, funds and staff. Once the unit goals are clear, the individual performance plans fall into place, for the plans are based on the functions or duties needed to accomplish a particular job. And all the jobs in a unit cumulatively attain the goals. Written performance standards and elements can provide a means of direct communication between employees and supervisors on job performance. For

managers, it is important to remember that performance elements and standards of an employee's job must be communicated to the employee at the beginning of each appraisal period and used during and at the end of the period to evaluate job performance. Individual performance plans *cannot* be scribbled out at appraisal time to meet a deadline.

The responsibility for establishing appraisal systems lies with agencies. Agency appraisal systems must describe how employee participation is encouraged in establishing performance standards and must describe the process by which the standards and critical elements of employee positions are communicated at the beginning of each appraisal period. It is the supervisor's responsibility to ensure that job-related performance standards are developed based on the agency's appraisal plans.

Employees who are represented in exclusive bargaining units can negotiate some aspects of appraisal plans through collective bargaining. Management has a duty to negotiate with the bargaining unit's exclusive representative(s) on such matters as the *procedures used* to develop standards and identify critical elements or *the form of employee participation* in establishing the standards. Examples of negotiable employee participation might include: 1) employees submitting a first draft of their own individual job standards for discussion, or 2) a brain storming session by several employees performing the same kind of work or 3) development of generic standards by a task force. Identification of critical elements and content of performance standards are not negotiable; they are part of management's right to assign work—to determine what is to be done and how it is to be done (e.g., in terms of quantity, quality, timeliness and priority).

Performance elements, the major duties of a position, must be solely job-related and provide an accurate and current view of what job functions are being covered. They include *critical elements*, the essential duties that require remedial action if not performed at or above a minimum standard. *Performance standards* are measures for performance; they describe how well work is done, i.e., the achievement levels at which work is accomplished.

To achieve the goal of writing accurate elements and standards, two basic steps can be followed: analyze the job and develop related performance standards.

The procedure used to develop the performance standards, as well as the form of employee participation, will depend on the agency's plans, policies or applicable provisions of the negotiated performance appraisal system or other agreement(s). The outline below shows how the steps for writing performance standards and elements could be taken.

Identify Performance Elements

Collect job information Position descriptions, organizational-level goals or objectives, budget and work plans, supervisor-employee discussions of work assignments and job analysis by an expert would be sources for this information.

List job tasks
A supervisor could "brainstorm" with one or more employees doing the same work to determine what tasks are involved; or tasks could be identified by reviewing position descriptions. Tasks should be specific, (e.g., "types correspondence," "supervises employees," "develops management plans,") and should be limited to a few words, preferably an action verb with an object. The goal is to identify duties, responsibilities, and products or services. Write down what *is* rather than what should be.

Cluster job tasks into performance elements
Group together or cluster related tasks. Clusters, which become performance elements, should be made up of functions that produce the same outcome in terms of product or services. In a management-by-objectives system, a grouping may consist of similar objectives to accomplish an organizational goal. All major functions which contribute to successful accomplishment of a job should be included.

Examples
Planning (Element)
- Plans work
- Establishes schedules
- Sets objectives
- Assigns personnel
- Writes budget

Office Management Support (Element)
- Processes mail
- Controls accountable documents
- Maintains attendance records
- Schedules travel
- Requisitions materials/supplies

Identify Critical Elements

List the essential or primary responsibilities of the position. Failure to meet a critical element means the employee could be separated, demoted or reassigned. The following questions could be considered to determine which functions are essential:
- What percentage of the employee's time is spent performing the element?
- If the element were performed inadequately, would there be a significant impact on the unit's effectiveness? Would other employees have to perform the activity to ensure vital objectives are met?
- Would inadequate performance of the element seriously affect or harm others, or contribute to loss of time and money?
- Would inadequate performance mean that the agency fails to meet statutory or regulatory requirements or is engaged in prohibited practices?

Identify Performance Standards

Defining a standard
A performance standard is a measure. It should enable the supervisor to measure the employee's accomplishment of performance elements in objective, easily understood units including:

Quality-how well done
Quantity-how much done
Timeliness-how fast it is done
Manner-style, way in which it is done
Method-procedures, policies, technical requirements
Cost-dollars, manpower, time factors

Expressing a standard
Objective criteria should be considered when deciding how to express a unit of measurement. The standards must be attainable and within the employee's control. Objective criteria for expressing standards could include:
Observable-can be witnessed; concrete, definable
Measurable-can he assessed, evaluated; can distinguish different performance levels
Achievable-possible to accomplish; no barriers exist
Reasonable-can be done within a specific time frame
Understandable-clear about what is being measured as well as when and how it will be measured

Criteria to avoid are adverbs that are difficult to substantiate, like "rarely," "seldom," "occasionally," "frequently."

Establishing performance levels
Standards, measured in terms of performance levels, provide yardsticks by which performance is evaluated. Multiple standards are usually necessary to achieve this evaluation. This means stating a standard at two or more levels of performance, e.g., *minimally successful, fully successful, excellent, outstanding,* or other such descriptive terms for each performance element. Performance levels can be expressed by numbers as well as adjectives. The levels of standards represent the range of possible performance. The following factors should he kept in mind in establishing performance levels:
- If there is only a single written standard for an element, there can be no more than three performance levels for that element: *failed to meet standard, met the standard,* or *exceeded the standard.*
- In writing the standards for performance levels, it is recommended that you begin by describing the satisfactory level of performance, then higher and lower levels.
- You do not have to write in all standards for all performance levels. OPM policy allows extrapolation for one level higher or lower than that written.

Required and desirable features to incorporate into performance appraisal systems are included in FPM Bulletin 430-11, Special Bulletin #98, dated January 28, 1981.

The Office of Personnel Management's Performance Appraisal Services Division has published a "Performance Standards Handbook" which offers detailed instructions for writing performance standards and samples of elements and standards for some positions. It can be obtained from Federal agencies which have ordered it or from the Superintendent of Documents, Government Printing Office.

Efstathia A. Siegel is a writer-editor in the Office of Public Affairs, OPM.

HOW TO IMPROVE AN EXISTING PERFORMANCE STANDARD

First Draft Of A Standard

Secretary GS-318-5
Title/Series Grade

Performance Element	*Unacceptable Performance*	*Minimally Satisfactory*	*Fully Satisfactory*	*Outstanding*
1. Types correspondence and other material.	what will be unacceptable?	Typed material is usually neatly arranged in appropriate format. How often? Occasionally makes errors in spelling, punctuation or grammar. Provides typed material to author usually within requested timeframes.	Typed material is routinely arranged neatly in an appropriate format. Rarely makes errors in spelling, punctuation or grammar. Regularly provides typed material to author within requested timeframes. → when are these determined?	what would be outstanding?
2. Takes and transcribes dictation.	Time	Usually transcribes dictation accurately. Occasionally makes errors in spelling, punctuation or grammar.	Routinely transcribes dictation accurately. Rarely makes errors in spelling, punctuation or grammar.	
3. Receives telephone calls and visitors.		Generally answers inquiries, screens and refers visitors and phone calls accurately and courteously. Few legitimate complaints are received or instances of discourtesy noted.	Routinely answers inquiries, screens and refers visitors and phone calls accurately and courteously. No legitimate complaints are received, no instances of discourtesy noted.	

Example of A Standard That Has Been Edited

Secretary GS-318-5
Title/Series Grade

Performance Element	*Unacceptable Performance*	*Minimally Satisfactory*	*Fully Satisfactory*	*Outstanding*
1. Types correspondence and other material.		Typed material is neatly arranged in appropriate format and proofread before submission to writer. Typographical errors are clearly corrected. Work is completed within requested timeframes *with no more than one undetected error.* → indicates specific quantity	Typed material is free of errors, neatly assembled with all supporting documents correctly attached. Completed work is submitted well within requested timeframe	
2. Takes and transcribes dictation.	indicates manner	Takes dictation with *some interruptions* requesting assistance with spelling, punctuation or grammar. Transcribes all material in draft for review by writer before typing final copy.	Takes dictation without interrupting speaker. Transcribes all but very complex, technical material in final form, without preparing draft copy. Consults dictionaries, thesaurus, secretarial handbooks to avoid errors in spelling, punctuation and grammar.	

Chart by Gwen Bullock

Performance Element	*Unacceptable Performance*	*Minimally Satisfactory*	*Fully Satisfactory*	*Outstanding*
3. Receives telephone calls and visitors	describes quality of desired performance	Answers inquiries with assistance from others in office; screens and refers visitors and telephone calls accurately and courteously. No more than X legitimate complaints are received and no instances of discourtesy noted.	Maintains desk notes concerning data frequently requested for use in answering inquiries; screens and refers visitors and telephone calls appropriately, accurately and courteously. Volunteers to assist inquirer, using known office protocol. No legitimate complaints or discourtesies are noted.	
4. Prepares routine correspondence.		As requested, answers routine correspondence. Correspondence is usually accepted by supervisor with few major revisions.	Determines what correspondence to answer on own. Correspondence is accepted by supervisor with no major revisions.	
5. Maintains and operates filing system(s).		With close supervision, purges office files for currency and relevancy of information at least once a year in accordance with established guidelines. No more than X valid complaints that necessary information is missing from files. Filing system(s) maintained to allow for ready retrieval of data.	Seeks filing improvements and recommends needed filing system or filing space changes. There are no valid complaints that necessary information is missing from files. Filing system(s) maintained routinely allowing for ready retrieval of data.	
6. Gathers and provides information for meetings, seminars and conferences.		Upon request obtains necessary program materials for supervisor; makes travel and other logistical arrangements under close supervision. Information is provided within X days of request.	On own initiative, obtains necessary program materials for supervisor; makes travel and other logistical arrangements based on brief notes; and logistical errors made are corrected on own initiative.	
7. Oversees office administration (including correspondence procedures report preparation, suspense files, office equipment requisition, time & attendance records, travel fund tracking and estimating systems)		Handles administrative matters in accordance with guidelines and established timeframes.	Handles administrative matters in accordance with guidelines and established timeframes. Identifies administrative problems within the organization and recommends action to supervisor. Offers suggestions for improvement in administrative procedures covering clerical activities.	
8. Maintains supervisor's appointment calendar.		Accepts, rejects or reschedules appointments only after consultation with supervisor. Makes X scheduling errors which result in time conflicts. Fails to remind supervisor of appointments, no more than once a month.	Accepts, rejects or reschedules appointments on own initiative, as well as, after consultation with supervisor. Very rarely do scheduling errors result in time conflicts. Does not fail to remind supervisor of appointments.	
9. Screens and routes mail.		Routes mail to person or organizational unit using appropriate mailing lists.	Routes mail to appropriate person or organizational unit taking care to attach background data from files.	

HOW TO IMPROVE AN EXISTING PERFORMANCE STANDARD

First Draft Of A Standard

Research Administrator — *Title/Series*
GS-301-13,14 — *Grade*

Performance Element	*Task*	*Performance Standard Fully Satisfactory**
Program Management	Provide program leadership.	Provides sound direction to research units; supports new research efforts proposed by staff scientists.
	Promote research productivity	Publishes research results in internal and external professional journals. Encourages staff to publish

how?

how?

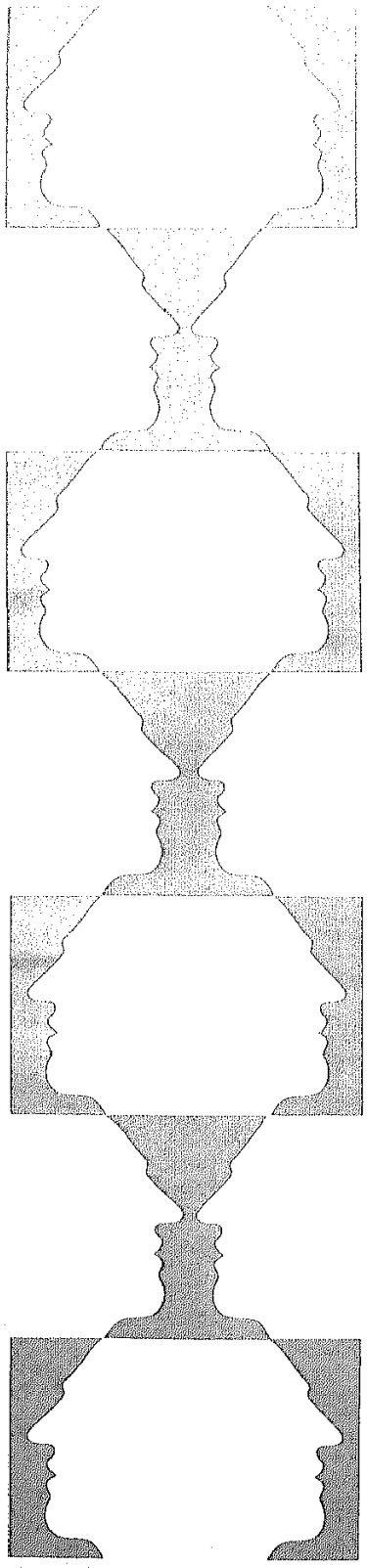
inadequate. should be more specific as to method or manner. can we assume the acceptance of material for publication implies quality?

* *This agency has only three performance ratings: Meets standard, exceeds standard, does not meet standard; therefore, one standard is sufficient.*

Example Of A Standard That Has Been Edited

Research Administrator — *Title/Series*
GS-301-13,14 — *Grade*

Performance Element	*Task*	*Performance Standard Fully Satisfactory**
Program Management	1. Provide program leadership.	1. a. Assures that new ideas, stimuli, etc., are [illegible] units/pr b. Rese appro resea
	2. Promote research productivity.	



FACE-OFF OR FACE TO FACE? THE PERFORMANCE APPRAISAL DISCUSSION

By Priscilla L. Levinson

Just the words "performance appraisal" conjure up in the minds of most working people, whether in government or the private sector, a very uncomfortable scene: The supervisor sitting behind the desk seems formal and distant—somehow impersonal, even though you may have worked together for a long time; on the desk sits the instrument of judgment, the Performance Rating Form. At no other time of the year does an employee feel so clearly subordinate and vulnerable. The supervisor, aware of the importance of the appraisal to pay, job retention or promotion, and certainly to morale, feels the burden of responsibility weighing heavily.

Too often, this little scenario develops into a performance appraisal "face-off," clearly an adversarial relationship. It is certainly a poor way to end one appraisal period and start another, since at the best this kind of appraisal discussion is ignored and forgotten as soon as it's over, and at the worst, its unhappy memory is destructive of motivation and productivity for the future.

How, then, does a supervisor turn a potential "face-off" situation into a constructive face to face discussion? Does it take the wisdom of King Solomon to be able to point out weaknesses without demoralizing, to capitalize on strengths without raising undue expectations, and to plan for the future in a mutually helpful way?

Logically, the first step is for the appraiser to decide what purposes the discussion is to serve (other than just getting it over with). One purpose frequently mentioned for the performance appraisal discussion is to provide feedback of information to the employee. Obviously, if employees do not know whether they are missing, hitting or exceeding the performance marks, it is difficult for them to be able to improve. Many supervisors and managers are in agreement that the most uncomfortable aspect of year-end appraisal is giving feedback to employees whose performance is weak. The discomfort usually results in a "face-off" or a "shrug-off." Neither result is constructive. One cause of the problem

is that completion of the rating form and discussion of it with the employee are viewed as the climax of the performance period. In fact, it should be treated as anti-climatic. The appraisal form is really only a formality—it is the notary seal, so to speak, on performance that has occurred all during the appraisal period.

Performance appraisal should not be a suspenseful, once-a-year action. Effective appraisal is the day-in, day-out review of work done, feedback on how well the work was done, and suggestions of how the work could be improved—in short, it is a continuing aspect of supervision. The performance all during the appraisal period is condensed and summarized in the year-end appraisal form. If the performance is documented during the appraisal period by such means as work samples and periodic reviews, the facts needed to support both positive and negative personnel actions are available. With frequent feedback given throughout the appraisal period, there should certainly be no surprises at the end of the period—just the formal summary of performance that has already taken place and been discussed.

The key to improving the appraisal discussion with any employee, but especially with one who is performing poorly, is to treat the discussion as the formal recapitulation of information previously given and performance trends documented. If there has been feedback and documentation during the appraisal period, the discussion is not a climax, but an anti-climax. An employee may not enjoy hearing about poor performance that did not improve, but at least he or she is not confronted by an appraisal that comes as a bolt out of the blue and results in a face-off.

Providing feedback and facts may be sufficient to avoid a hostile face-off situation, but two other factors are necessary to create a productive face to face discussion. ***First:*** *Describe in* specific *job-related terms what the employee must do to improve performance.* Detail not only those aspects of performance that need to be improved but also the specific activities to accomplish the improvement and designate who will do what in the process. For example, the employee could do some extra reading to gain needed job knowledge; the appraiser could provide closer supervision for a short time or might approve a helpful training course. It is important to remember that criticism is a powerful tool. Pointing out a weakness without at the same time suggesting a way to eliminate it may be damaging rather than helpful to future performance. Therefore, pointing out problems in performance should always be accompanied by suggestions of specific actions that can be taken to overcome the problem.

Next: *Use what has been learned from the past to plan better for the future.*

The last part of appraisal discussions should be used to plan for the next appraisal period. At this time it would be appropriate to describe how the employee's work will help accomplish the organization's goals for the coming year and to link his or her performance objectives to organizational objectives. The next step follows logically: It is a review of performance elements (including designation of critical elements) and standards to determine whether any changes or modifications are needed and, if necessary, to make them. In this way, planning for the coming year builds upon the lessons learned in the previous one.

Successful conduct of the appraisal discussion requires that the appraiser be well prepared by having clearly in mind the organization's objectives and the ways in which the employee can contribute to meeting them. And, in order to conduct an appraisal discussion which is calm, factual, documented, and related to work behavior during the entire appraisal period, the supervisor must take the time to be well prepared and to concentrate on performance, not personality.

At this point, I can hear you object that what I am recommending is very time consuming and that you are already overburdened with much work and little time. I agree: Appraisers are very busy people and preparation for an appraisal discussion is time consuming. The reason that it takes time is because it is, in fact, not just performance appraisal, but an important factor in the *effective management of your staff*

A PERFORMANCE APPRAISAL CHECK LIST

- Know your organization's goals.
- Link employee goals to organizational goals.
- Use feedback and documentation throughout the whole appraisal period.
- Be prepared. Know the employee's specific performance record.
- Concentrate on performance, not personality.
- Be factual.
- Don't deliver bolts from the blue. Appraisals should not be surprises.
- Promote communication, not confrontation.
- Accompany criticism with specific remedies.
- Build on the past for the future.

REACTIONS TO A DEMONSTRATION PROJECT—

THE NAVY'S EXPERIMENT WITH PAY AND CLASSIFICATION

By Elizabeth Babcock and Joel Meriwether

Higher morale, more successful recruitment and increased communication between managers and employees are some of the payoffs cited by participants at two Navy laboratories involved in a demonstration project designed to show whether a more flexible personnel system can help managers increase their organizations' effectiveness.

The project went into effect July 13, 1980, when the Naval Ocean Systems Center (NOSC), San Diego, and the Naval Weapons Center (NWC), China Lake, California, began a five-year experiment that will ultimately involve nearly 5,000 employees at the two participating Centers. The first phase included all scientists and engineers and many administrative employees.

The demonstration project, authorized under the Civil Service Reform Act, involved the following basic changes in the facilities' personnel systems:

- Broad levels of classification with flexibility to adjust pay within classification levels
- Individual pay adjusted annually by placement into one of the five incentive pay groups based on performance
- Merit pay for nonsupervisory as well as supervisory employees.
- Use of more general classification and performance standards
- Recognition of demonstrated individual performance in the reduction-in-force (RIF) process

Together, these changes are designed to help managers operate with more authority, responsibility, and skill. The following advantages were anticipated when the project was proposed:

1. Reward for high performance
2. Reduced paperwork
3. A more understandable classification system
4. More flexible classification standards
5. A dual career ladder that does not require an employee to enter supervision in order to advance
6. Local control over the merit pay system
7. Pay more competitive with private sector pay in recruitment
8. More flexibility in reassignment and use of staff
9. Recognition of job performance during reduction-in-force
10. Increased productivity
11. Performance appraisal linked to individual and organizational goals.

From its inception, the project has had enthusiastic Washington backing, according to Dr. James H. Probus, Special Assistant for Programming, Analysis and Congressional Support. Probus, who was Director of Navy Laboratories at the time the proposed demonstration project progressed through final endorsement by the Navy, Department of Defense, and the Office of Personnel Management, pointed out that the project has the interest and support of the other laboratories of the Naval Material Command. "Other labs would have happily substituted for either of those two labs if either had had to drop out," he said.

Features of the Project

Details of the project vary between the two Centers. Implementation is flexible, with each organization having the freedom to custom-fit a personnel system to its unique management needs. However, both Centers adhere to the overall provisions of a broad new approach to pay, performance appraisal, and position classification. Under this experimental system the Centers have grouped the usual 16 Federal pay and classification levels (GS-1 through GS-16) into broad levels of classification. These levels and comparable GS grades for each level are shown to the right.

The classification approach features benchmark standards or elements and standardized descriptions of types of work. Under the broad pay levels, employees hired into the project may enter at salary rates based on the duties and responsibilities of the position *and their own qualifications.* Each Center determines rates consistent with labor market conditions, and can pay candidates based on their experience and education.

"In 1979 our acceptance-to-offer rate for new scientific and engineering employees was 1 in 5. Last year it was 1 in 4. Our data so far tell us that it's going to be 1 in 3 this year. Some additional factors make that even more relevant. The average GPA last year of junior professionals accepting our offers was 3.14, with approximately 10 percent of our offers going to students with GPAs of 2.9 or below. This year the average GPA is 3.5, only 2 percent of our offers go to students having a GPA of 2.9, and there are none lower than 2.7. It's not that we base all of our values on the GPA—but this is one measure that tells us we can now compete for the quality student.

Now that we can use industry's starting salaries to set the salaries we offer, we make it possible for recruits who want to come here to decide on the basis of the work we

Career Path Identification by Classification Level as Related to Current Grade Levels.

GS GRADE LEVEL	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16.PL[a]
Clerical Career Path[b]																
Technical Career Path[b]												IV		V[c]		
Administrative Career Path					I				II			III		IV		V[d]
Professional Career Path					I				II			III		IV		V

[a] Public Law
[b] Levels to be Determined
[c] Reserved for Managerial Positions
[d] Reserved for Managerial/Expert Positions

* *Level V is used where necessary to accommodate employees at GS-16 or above who were not offered Senior Executive Service membership.*

do. In other words, if they want to come here, they won't have to take a major cut in salary to do so."
Karen Altieri, Professional Recruitment Coordinator, NWC

In addition to enhancing competitive recruitment of quality candidates, the project pay levels allow tangible performance-linked pay distinctions among current employees, supervisors, and managers. The Centers are finding that classification of positions under these broad classification and pay levels is far less burdensome and less susceptible to judgmental error than under the more precise GS grade placement. The demonstration project system incorporates the flexibilities of a rank-in-person system with the overall benefit of rank-in-position distinctions that can reasonably be applied by supervisors. The flexibility of these broad levels permits greater mobility for supervisors and employees and allows increased responsiveness to changing staffing demands in the research and development environment. The system also recognizes the continuing need for a dual career ladder that does not force excellent technical personnel into supervisory or managerial positions in order to advance.

"I see the greatest benefit in the relief from confrontations between line managers and personnelists over classification matters and a resulting reduction in paperwork.

Also, it will be easier to place people in the right job. A scientist or engineer does not have to go into line management to reach higher grade levels. Another benefit will be the increased communication between supervisor and employee in the objective-setting process. This, I believe, will result in a better performance."
David Newman, Head, Product Engineering Department, NOSC

Movement within the various classification and pay levels is accomplished by incentive pay. This concept is similar to the merit pay and performance appraisal concepts of the Civil Service Reform Act. Employee performance is evaluated on the basis of five incentive pay groups (outstanding, exceeded objectives, met objectives, below objectives and needs improvement). Employees who exceed performance expectations receive incentive pay increases substantially exceeding Governmentwide comparability increases; employees who fully meet performance expectations receive at least full comparability, and those who do not fully meet performance expectations or need improvement receive either half or none of the comparability increase, respectively. (Unsatisfactory performance will continue to be handled through removal, reassignment, or downgrading, as was formerly done.) The result of this performance-related merit pay system is expected to be a movement of the least productive, but adequate, employees and supervisors to the lower end of the pay band in each level, along with movement of high performers to the upper end of each pay band. Each individual covered by the project has performance objectives that are assigned for near-term accomplishment. The project will also include local appeal processing of performance ratings within incentive pay categories.

"I expect to see increased productivity through motivation by virtue of the [illegible] available through this program. I expect that we will see increased productivity for another reason, too. The demonstration project provides, for a first time, a clear path of our objectives from the top to the bottom, actually from the Secretary of the Navy down to the professional engineer and scientist.

This new program permits good communication between the supervisor and employee. No, it's more than that: It *demands* communication between supervisor and employee because of the objective-setting and evaluation elements of the

project. And that's good for all of us."
Bill Powell, Director
Marine Sciences and Technology, NOSC

The demonstration project's major change in RIF procedures is the ranking of employees within each competitive level primarily on the basis of performance rating groupings and secondarily on the normal elements of tenure, veteran's preference, and length of service. This type of RIF system should substantially increase the probability of retaining the highest performing employees in their positions and displacing the lowest performers.

Employee Commitment and Participation

Throughout the planning and initial implementation of the project, top management at both Centers has been keenly aware that the ultimate success of the project depends heavily on participant commitment. Committees of managers and employees affected by the project have made significant contributions to help the system meet each Center's particular needs. Bob Hillyer, Technical Director at the Naval Weapons Center, cited this involvement of project participants as key to employees' increasingly positive attitude toward the project. "It's important that we continue to get the word across that we are working to improve upon the treatment and advancement of employees of the Center," he said, "and the effort by the task and training teams has given us the opportunity to get off on the right foot."

An external evaluation group and two internal evaluation groups keep a firm hand on the pulse of each participating Center. Recognizing that assessing improvement in overall effectiveness will not be easy in the complex environment of a Navy laboratory, the external evaluation group will focus on work unit performance as well as on individual performance measures. To help isolate effects of the demonstration project, evaluators will compare changes occurring at the participating Centers with those at two Navy laboratories that are not participating.

"The demonstration project has made the job of a personnelist much more interesting. The system has allowed us more time to work with real people issues, as opposed to trying to maintain a paperwork system. Our classification workload has been reduced substantially. Two pieces of paper are all that are required for each employee in the planning, monitoring, and appraisal system."
Don Shibley, Head
Personnel Service Division No. 2, NWC

Employee attitudes, both toward individual jobs and toward the demonstration project are important measures of the assessment effort. The internal evaluation teams distributed a survey of all GS employees in late 1979 (before the Centers entered the project) and again in late 1980 (after the initial group of project participants had received training and had begun the performance planning process). Responses to four representative questions, shown below, demonstrate a positive trend in employee attitudes toward the demonstration project.

Individual Perceptions

To give an overview of how affected employees feel after nearly a year in the project, representative managers and employees were interviewed. Their perceptions are distilled here:

Attitude Survey

Responses to questions asked CSRA demonstratian project participants in late 1979 and again in late 1980.	*I have sufficient information about the CSRA demonstration project to understand how it affects me.*		*The CSRA demonstration project will probably not affect me adversely.*		*The CSRA demonstration project provides a fairer and more equitable system than we have now.*		*I am in favor of the CSRA demonstration project.*	
	1979	1980	1979	1980	1979	1980	1979	1980
NOSC % Agree	43 39	60 56	48 44	67 61	24 22	30 27	35 32	43 39
% Disagree	34 37	5 19	18 18	9 12	26 24	20 25	28 25	16 21
NWC % Agree	29 26	78 55	39 33	70 55	20 17	40 33	33 26	61 47
% Disagree	49 56	7 28	21 19	10 12	25 21	16 14	26 22	12 12

▩ *Scientists and Engineers* ■ *Total Center Population* *(Responses of undecided are not shown)*

"I have developed the view that when things look the most unsettled also turns out to be the greatest opportunity. I see the demo as an opportunity for me to be heard and learn more things, like the appraisal system."
Wayne Tanaka, Physicist, NWC

"I feel positive about the demonstration project, although I know there are still some people that have negative feelings about it. Management has to keep communicating. They can overcome a lot by doing that.

I think the program has a very good chance of being successful; undeserving people will not be rewarded in this system. That's good for management *and* the people."
Squire Clemons
Technical Staff-Engineer, NOSC

"One big positive factor is that the demo project has initiated a process of the employee and the supervisor sitting down together and discussing what performance is expected of the employee. This, together with a requirement for supervisors to provide regular feedback to employees on the quality of their performance, is a step in the right direction . . . .

My biggest reservation right now is a question as to top management support for really having the system work. Our top management needs to realize we're just beginning to start this thing—there's a lot of work downstream. The process of performance planning needed in order to have a significant impact on employee and organizational effectiveness is probably going to require more commitment and more time on the part of all supervisors than management has demonstrated support for up to this time. Unless we carefully identify critical elements of each job, I fear that people will continue to see the awards system as an outcome of the "good old boy" approaeh."
Bill Werback, Head
Environmental Engineering Branch, NWC

"The employees want to be challenged a little bit more than they had been with the old system. The demonstration project also offers the flexibility for managers to do something creative, to manage more constructively."
Dick Urban, Deputy Assistant for Electronics and Physical Science, NOSC

"The bottom line is that the demonstration project has created a much more flexible organization. It has already given us a tremendous amount of flexibility that we wouldn't have otherwise. We now have the opportunity to modify our operating personnel system when it doesn't work to meet our needs and an opportunity to effect changes that are not possible under larger Federal systems."
Dick Johnson, Assistant Head
Electronic Warfare Department, NWC

"The system of 'reviews' that will follow the evaluations and award recommendations really becomes a filtering process. I think management has to be confident enough to let the final judgment on awards be made at a level low enough in the chain to create credihility for the program."
Mike McCallion, Head
Facilities Resources Division, NOSC

"My reservations invc through the pay-for-perl and the final assessment cycle. More people expe the top two incentive p than will be there. The that pay was going to b motivator, and I have s ieties that it may end u demotivator. That's wh training in performance as being critical."
Clara Erickson, Head
Personnel and Organiza Development Division, NWC

"We have a fantastic opportunity to reward performance. If we do it right, it can only lead to good things. The only question is whether or not we can do it. Are we mature enough as managers? I think we are."
Bill Powell, Director, Marine Sciences and Technology, NOSC

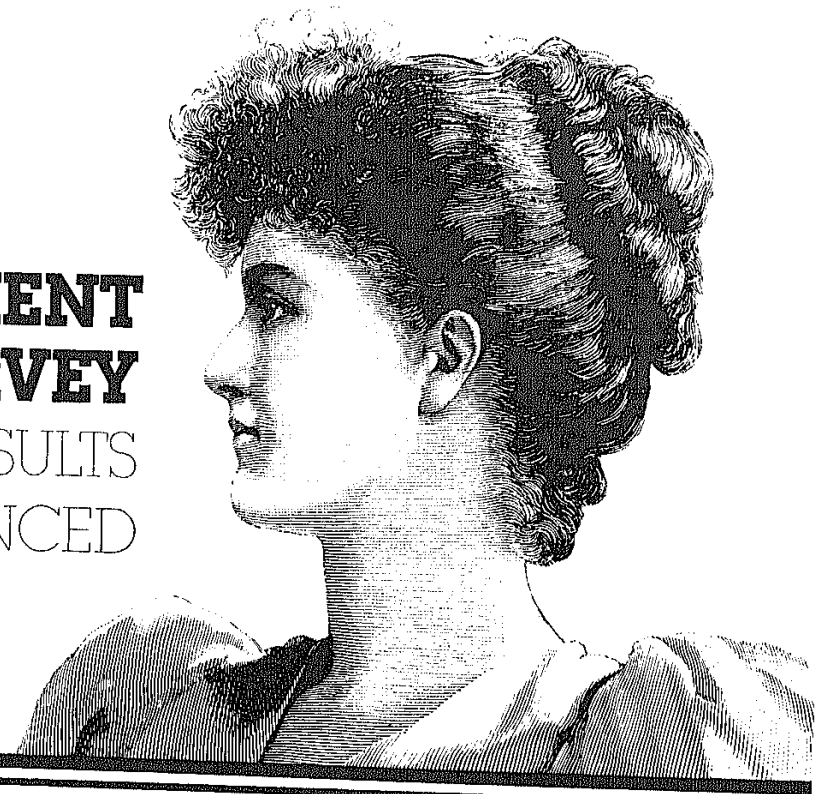
Elizabeth Babcock is Head of the Writing Branch in the Naval Weapons Center's Technical Information Department. Joel Meriwether is the Public Affairs Officer of the Naval Ocean Systems Center.

TEST YOUR IDEAS

If you have ideas for improving personnel management in your organization, you may want to consider proposing a demonstration project. The Office of Personnel Management can assist your agency in developing your ideas into a proposal, submitting it for approval, implementing the project and evaluating the results. Under the demonstration program, OPM can authorize your agency to test your ideas even if waivers of existing laws or regulations are required.

When the Civil Service Reform Act was passed, Congress recognized that reform legislation could not provide all the solutions to the problems of Federal personnel management. A feature was included in the Act which authorized experiments in alternate methods of personnel practices, giving agencies

HARASSMENT SURVEY RESULTS ANNOUNCED



Sexual Harassment in the Federal Workplace—Is It a Problem? is a recently released report of the U.S. Merit Systems Protection Board (MSPB). Response by survey participants was a resounding YES! as 42% of female and 15% of male Federal employees reported being sexually harassed within the two years prior to the survey.

This widespread rate of harassment, according to the majority of respondents who had worked elsewhere, is no worse in the Federal workplace than in state and local governments or in the private sector.

Today's managers, wherever they are employed, have a responsibility to help create a harassment-free work environment to both protect employees' well-being and morale and avoid the costs to their organizations in lowered productivity, absenteeism, and high turnover rates.

The following article briefly summarizes the MSPB survey results, presents guidelines on sexual harassment established by the Equal Employment Opportunity Commission, and proposes some do's and don'ts on dealing with harassment in the workplace.

The Survey

The MSPB survey was undertaken at the request of James M. Hanley (D-N.Y.) then Chairman of the Subcommittee on Investigations of the House Committee on Post Office and Civil Service. After the Subcommittee conducted a preliminary investigation of Federal complaints of harassment, Hanley felt the findings were serious enough to warrant a thorough survey of the Federal workplace and requested MSPB to do so. No such authoritative scientific study on harassment had ever been done in either government or the private sector.

The survey used the U.S. Office of Personnel Management's definition of sexual harassment as "deliberate or repeated unsolicited verbal comments, gestures, or physical contact of a sexual nature which are unwelcome." With OPM's assistance, a random sample of 23,000 male and female civilian employees in the executive branch received a questionnaire designed by a research team to answer questions in seven general areas.

1. What kinds of behavior constitute sexual harassment? Do the attitudes of men and women differ in this regard?
2. To what degree does sexual harassment occur within the Federal workplace? What is the frequency? What are the manifestations?
3. Are victims or perpetrators of sexual harassment found in disproportionate numbers within certain agencies, job classifications,

geographic locations, racial categories, age brackets, educational levels, grade levels, etc.?
4. What forms of express or implied leverage have been used by harassers to reward or punish their victims?
5. What has been the impact of sexual harassment on its victims in terms of job turnover, work performance, physical and emotional condition, financial and career well-being?
6. What effect has sexual harassment had on the morale or productivity of the immediate work group?
7. Are victims of sexual harassment aware of available remedies? Do they have confidence in those remedies?

The purposes of the questionnaire were to clarify what constitutes sexual harassment, to determine how widespread it is in the Federal government, and to determine how serious the consequences of harassment are for employee morale and safety. Both men and women were asked to confine their answers to their work experience from May, 1978 to May, 1980.

Findings

The rate of return was 85 percent—considerably higher than that required for statistical reliability. Men and women agreed that uninvited behavior of a sexual nature constitutes sexual harassment by a supervisor. The data indicated that sexual harassment can take many forms, ranging from sexual jokes, gestures and remarks to letters, phone calls, and materials of a sexual nature to pressure for sexual favors.

Two out of every three victims of sexual harassment in government are women. While female trainees reported the highest incidence (51 percent) of harassment, there were relatively few distinctions among other occupational groups. For example, 45 percent of the professional and technical women and 40 percent of the clerical employees reported suffering harassment.

According to the study, there appears to be no significant race or ethnic pattern, nor any geographic consistency. Women, however, reported that their harassers tend to be of the same race or ethnic group as the victim, and older than the victim.

Younger women reported the highest incidence of harassment, with 67 percent of the 16 to 19 year olds and 59 percent of the 20-24 year olds reporting cases of harassment. Thirty-three percent of the women aged 45-54 and 22 percent of the women aged 55 and older reported having been harassed.

There was also a pattern found in the education levels of the victims. The lowest incidence of harassment (31 percent) was reported by women with less than a high school diploma, and the highest incidence (45-53 percent) by women with various levels of college, including graduate degrees.

Co-workers were cited as the source of harassment of women almost twice as often as were supervisors. The vast majority of female victims of less severe harassment felt there would be few, if any, consequences of the harassment, but victims of more severe harassment, such as actual or attempted rape and sexual assault, were fearful of co-workers' reactions to the incidents. They said their physical or emotional condition, as well as their feelings about work, worsened. Almost all victims, however, claimed that the productivity of the work groups in the office was unaffected.

About half the female victims were aware that at least one formal remedy was available to them. Few felt they were effective. The majority of victims indicated that the most effective way to deal with harassment is to tell the perpetrator to stop, although almost as many advocated reporting the incident to a supervisor or other official. An equal number of women recommended ignoring the situation as advocated filing a complaint. The majority of women victims considered direct and assertive action by the victim to be more effective than indirect or passive responses to harassment.

Former MSPB Chairwoman Ruth T. Prokop warns that sexual harassment will not disappear without positive action. The report offers numerous recommendations designed to control sexual harassment and suggests copies be made available to personnel and training officers, EEO officers and Federal Women Program managers. Limited copies are available by contacting the Office of Merit Systems Review and Studies at (202) 653-7209. Additional copies may be ordered from the Government Printing Office at a cost of $6.00.

EEOC Guidelines

Signed into effect on November 23, 1980, *The Equal Employment Opportunity Commission Guidelines on Sexual Harassment* form an amendment to Title VII of the Civil Rights Act of 1964, which bars discrimination on the basis of race, religion or sex. Simply stated, the guidelines make clear that:

- Harassment on the basis of sex is a violation of section 703 of Title VII.
- The EEOC will investigate the total circumstances of alleged harassment situations and make its decision on a case-by-case basis.
- Employers are responsible for acts of sexual harassment in their workplaces whether they know or should have known of their occurrence.
- Employers are responsible for acts of sexual harassment in the workplace among employees as well as non-employees unless they can show immediate and corrective action was taken to eliminate it.

Because EEOC guidelines are just that, guidelines—for the private sector as well as the public sector—OPM has directed each agency to define and establish its own policy on sexual harassment under those guidelines. Each agency head, in conjunction with the agency's EEO staff, sets the policy for sexual harassment in that organization.

Since EEOC guidelines on sexual harassment are purposely broad, individual agency policies may be equally general. In addition to this potential lack of uniformity among policies, disciplinary consequences may not be spelled out or publicized. The result is often a confusing situation for managers.

Manager's Checklist

Because many managers feel on shaky ground when it comes to sexual harassment, there is a tendency to avoid dealing with the subject just when they ought to be preparing to prevent or cope with it.

Even with a thoughtful approach to EEOC guidelines, it is difficult for managers to meet all the requirements without careful planning. The following suggestions may be helpful:

1. Create a professional and business-like work atmosphere.
2. Make sure your employees have a written statement of agency policy on the prevention and elimination of sexual harassment.
3. Prevention is the key. Discuss the subject openly with employees, express strong disapproval of it, develop appropriate sanctions, and inform employees of their right to raise the issue under Title VII as well as how to do so.
4. Because sexual harassment can affect more than those immediately involved, help employees consider the disruption to, and the feelings of, other office members.
5. Do not let yourself or your employees confuse sexual harassment with routine compliments. Harassment is behavior that is uninvited, unwelcome, is offensive, debilitates morale, and interferes with work effectiveness.
6. Create awareness through training. Because values and backgrounds differ, some workers find it hard to recognize their own behavior as sexual harassment. Contact your agency's training officer for information on available classes.
7. In thinking about the problems, consider the perspective of the person who may be harassed, especially if it is someone of the opposite sex.
8. Since you are responsible for the harassment of non-employees as well as employees in your workplace, make sure the person in charge of visitors or interviewing is up to date on agency policy.
9. *Remember:* when it comes to sexual harassment, you are responsible for what you should know as well as what you do know; you are liable if you do not take immediate and corrective action to eliminate it; and it can occur anytime and anywhere in your office.

When an incident of alleged harassment has occurred, and an employee has asked for your help, begin by listening carefully to the complaint and helping the employee determine what redress to seek. After that there are a number of ways you can help resolve the problem.

You may offer to speak to the offender privately about the agency's code of ethics and behavior, or about the loss of productivity and discomfort the behavior is causing. Or you may want to suggest a meeting between the harasser and the employee to discuss the issue; or advise the harassed employee to contact an EEO counselor.

Tips for Employees

Not only managers, but employees need direct specific advice on how to handle sexual harassment in the office.

DO:

- Remain calm—objectively separate fact and fiction. Recognize the behavior for what it is, understand it is not your fault, and that you have the right to complain and take action.
- Consider that perceptions differ on what may or may not constitute harassment. Make sure that what you experienced was sexual harassment and not a routine compliment.
- Consider the impact of sexual harassment on you and on the morale and work effectiveness of those around you.
- Consider what remedy you seek for the harassment.

DON'T:

- Involve the whole office in the incident just to gain sympathy.
- Respond to the offender with personal attacks or innuendo.
- Second guess the offender's motives for sexually harassing behavior.
- Deal with the behavior itself.
- Avoid the issue for fear of reprisal.

Action Notes

When it has been established that an employee has been subjected to sexual harassment, managers should encourage the employee to confront the harasser if the offender can be reasoned with or scared off. Urge the employee to make clear to the harasser that the behavior is unacceptable and the employee is not interested in having it continued.

Tell the employee to keep a written record of how and when the harassing incidents occur, his or her complaints about the behavior, and the results of the complaints.

You should encourage any victim of sexual harassment to talk to good friends during this stressful time. (This does not mean discussing the situation with anyone who will listen or disrupting the workplace.) It is important to have a strong support group, and if an harassed employee keeps feelings bottled up, the result is often a feeling of helplessness or powerlessness. Tell the employee that by speaking out and documenting the incidence and forms of harassment, he or she can help define it as a social problem. A sense of being able to affect one's own life will replace the sense of isolation that may have developed.

To take further action against an harasser, advise an harassed employee to contact one or more of the following:

In any agency:

- personnel office
- Federal Women's Program Manager
- union representative
- employee counseling services
- EEO office

In those agencies that have the service:

- hotline number
- ombudsman
- Inspector General's Office

In cases where the employee does not want to talk to someone in the agency:

- U.S. Office of Personnel Management
  Federal Employees Advisory Services
  202-632-6057
  Equal Employment Opportunity Commission
  Enforcement Division
  202-632-1947
- Office of Special Counsel
  Merit Systems Protection Board
  202-653-7140

THE WELL-INTENTIONED HARASSER, OR

"HOW TOUCHY THE GIRLS AT THE OFFICE HAVE BECOME."

According to a survey undertaken recently by the Merit Systems Protection Board (MSPB), one out of every four Federal workers believes that she or he has been a victim of sexual harassment within the past two years. What a titillating statistic. One could logically deduce from this that within every gray Government building is a veritable Sodom or Gomorrah. Compared to the Government, one could assume, the moral climate at the Ewing Oil Company is virtually monastic. However, it certainly doesn't sound like any Government office I've ever worked in.

By Richard Leverone

It is unfortunate that the MSPB Survey did not ask the equally important question: "Have you, within the past two years, sexually harassed a co-worker or a subordinate?" My guess is that less than 1 percent of the respondents would have admitted to being harassers, compared to the 25 percent of employees who claimed to have been harassed. My own informal poll of co-workers failed to turn up a single person who, despite Fifth Amendment guarantees and promises of anonymity, would admit to ever having sexually harassed another employee.

I believe the reason for this discrepancy is not dishonesty, guilty denials on the part of perpetrators, or fantasies on the part of alleged victims; it is simply confusion on the part of all as to what constitutes "sexual harassment," or, perhaps more to the point, what constitutes inappropriate conduct between men and women in the work environment. Much of this confusion stems from the fact that more and more contemporary women wish to assume the role of an equal in the workplace. They want to be judged strictly on the basis of demonextent that there is no mental image of women as equal partners in the workplace, there is bound to be a conflict with those women who wish to be perceived in that role. The attempt of men, especially supervisors, to force women into a role

as girls, he will point out in hurt tones that that is exactly how his wife refers to her contemporaries. It is only the "girls" at this office who are painfully aware how incompatible being "one of the girls" is with aspirations for a responsible position.

It is reasonably easy to train men (not boys) to refer to their female workers by something other than "girls," though it is interesting to note how much resistance this sometimes meets. What is more difficult to change is male pseudo-chivalrous attitudes that inhibit the career growth of women. If a supervisor or co-worker is less likely to correct the faults of a woman than a man in a similar situation ("for fear of hurting her feelings") then he has done that woman a disservice. A similar problem exists with supervisors who are reluctant to assign women to tasks in which there is a high risk of failure or the likelihood of hostile interpersonal relations.

The well-meaning, but overly-protective supervisor who treats women employees like "Daddy's little girl" has failed to create a climate for growth.

The Office Wife.

There are some male workers who are so happily married that they decide to take unto themselves a second wife at the office. This gives them someone to go for coffee, doughnuts, lunch, or cleaning; shop (usually for the wife at home): and do other personal chores such as typing the kids' homework or making non-job-related travel arrangements. This presents the "office wife" with several problems. First, some women have moral scruples about doing personal business on Government time, even if it is "the boss's" personal business. None of these tasks appears in the employee's position description and these chores are not covered by the phrase "other duties as assigned."

Second, there is something demeaning in serving as someone else's "go for" unless it is the specific job one is hired to do; and the last time I looked in the Handbook of Occupational Groups and Series of Classes, there was no GS-xxx Go For Series.

Third, and perhaps most important to the upwardly mobile, career minded woman, there just isn't much future in the coffee-making, errand running business. These kinds of tasks do little to prepare one for more responsible positions, nor do they look particularly impressive on a resume or 171.

This is not to say that every job doesn't have its deadening, routine, non-glamorous aspects. However, the assignment of these tasks appears to be sexual harassment only if they are assigned solely women or are personal chores not related to the job for which the person was hired.

The Woman Worker as Plaything.

In the musical "How to Succeed in Business Without Really Trying," there is a song in which the male staff is reminded, "A secretary is not a toy." This treatment of a woman as a plaything is what is most often thought of as sexual harassment. Unlike other forms of sexual harassment, it is seldom unconscious or well-intentioned.

The working environment is a competitive and sometimes threatening one for many men. Competition from women has served to heighten male anxieties. One way to cope is to shift attention from the work situation to the more familiar battleground of the sexes. Sexual jokes (usually demeaning women), off-color remarks, comments on the "sexiness" of the appearance of women workers all provide prompt, temporary relief for threatened males. If women have no occupational aspirations higher than being a Dallas Cowboy Cheerleader or a Go Go Dancer, they can't be a threat to males struggling for SES positions.

It is possible, but unlikely, that male workers can be so concerned about charges of sexual harassment that they become cold and formal, unwittingly giving the appearance of misogynists. A rule of thumb here is that any comment or compliment to a woman is appropriate and in good taste if a similar comment can be made to a male. Thus it is all right to say, "That is a nice suit/dress you are wearing." However, "Gee, you have nice legs" does not meet this acid test.

Summary:

If one out of every four women believes she has been sexually harassed within the past two years, it is probably not because someone has made a pass at her. Rather, it is more likely that someone has refused to treat her in a way appropriate for the role she wishes to play—an equal in the workplace.

Richard Leverone is Chief of the Evaluation and Program Management Division, Office of Intergovernmental Personnel Programs, OPM.

NEW RESEARCH FINDINGS IN PERSONNEL SELECTION:

MYTHS MEET REALITIES IN THE 1980'S

Many false beliefs are widely accepted in the personnel community. Several of these myths originated with industrial psychologists but were subsequently promoted by EEO enforcement agencies because they supported those agencies' positions; some were originated by the agencies themselves. None of the myths is harmless, and all have serious consequences for American productivity in both the public and private sectors.

Many personnel researchers have been aware for some time of a widening gulf between the untested assumptions that are daily accepted as fact in the personnel profession and in some courts, and the realities that research is revealing.

This article summarizes results of recent studies, many of them from a research program the authors have carried out over the last ten years. It describes the broad outlines and major practical implications of the findings, omitting technical details. (A list of the major studies is available, on request, from Management magazine.)

By Frank L. Schmidt and John E. Hunter

MYTHS about the Validity of Job Aptitude Tests.
These myths were originally created by personnel psychologists and were long thought to be based on a sound research foundation.

We believe such myth-making results from a process that is not uncommon today. In a complex technological society, mistakes with serious consequences for many people are sometimes made by sophisticated and highly trained experts. Often these mistakes *would not be made by laymen.* In such cases, it is precisely the sophisticated methods experts use—but use erroneously—that are the cause of the errors.

MYTH: *Employment aptitude test validities must be newly determined in each setting, company or agency.*
In industrial psychology this myth took the form of the doctrine of situational specificity of the validity of employment aptitude tests. When one of the authors was a student of industrial psychology, his professors warned that managers would feel they know what traits were important for job success. Specifically, students were told the story of the industrial psychologist who was developing a selection system for first-line supervisors. The second-line supervisor told the psychologist that he knew from years of experience that intelligence correlated with success as a first-line supervisor: Brighter people generally did better, he said. The psychologist then did what we were expected to learn how to do. He told the manager that research had shown that intelligence had been found valid for the first-line supervisor job *in some companies* and found in-

supervisory jobs. Because of recent research, we know that most of the variation in findings from organization to organization was caused by just four statistical artifacts. If these statistical artifacts had not been present, different studies of test validity would have all obtained very similar results.

We have now learned to correct for these. The most important of these artifacts is sampling error—the inherent statistical variation to be expected between small studies. Because of the failure to take such variation into account, the otherwise sophisticated methods and studies of industrial psychologists led to a false belief—to the myth that employment aptitude test validities had to be determined anew in each setting, company, or agency.

We have examined several different types of jobs—computer programers, first-line supervisors, health aid technicians, a variety of clerical jobs, and several military jobs. Of the 88 test-job combinations we have examined, we have found that in 87 percent of the cases, validity could safely be generalized across organizations once statistical artifacts had been corrected for. Because ways could be found to correct for only *some* of the artifacts, the true extent to which validity can be generalized is even greater than 87 percent.

This is *not* an academic story. Even before the advent of the Equal Employment Opportunity Commission and Office of Federal Contract Compliance guidelines, this myth occasionally led to unnecessary and costly studies. Today, because this false belief has been incorporated into the Federal Uniform Guidelines on Employee Selection Procedures, many *more* organizations are now conducting expensive, unnecessary criterion-related validity studies—and are passing the costs of those studies on in the form of inflation. Others have decided to drop the use of valid tests of aptitude and are passing the resulting lowered workforce productivity on, again in the form of inflation. Meanwhile, the enforcement agencies, having found a useful weapon in their war to eliminate personnel tests, show no signs of voluntarily giving up the false doctrine.

MYTH: ***An aptitude test may be valid for one jab but invalid for another job.***

When we extended our research on validity generalization, we found that we had exploded another myth long believed by personnel psychologists—the myth that aptitude tests are job specific. This myth holds that an aptitude test might be valid for one joh—(for example, selecting machinist apprentices)—but be invalid for another job—(for example, selecting carpenter apprentices). Our research was the first that had been done on this question using *large samples of data* (23,000 people). It focused on traditional cognitive aptitudes like mechanical ability, spatial ability, and arithmetic reasoning. Using a group of entirely different jobs (e.g., cooks, machinists, administrators), our results showed that while the degree of validity might vary *slightly* from one job to the next, *every aptitude test that was valid for one job was valid for all the jobs. Tests of cognitive abilities are not job specific.* These results have recently been replicated using 20 years of cumulative data from the U.S. Employment Service. There are no invalid cognitive aptitude tests; every test is valid for every job.

MYTH: ***Tests that predict performance in training programs may not predict performance an the job—and vice versa.***

The past failure of personnel psychologists to take into account random variation among small sample studies is responsible for another myth: the myth that tests that predict performance *in training programs* may not predict performance *on the job*—and vice versa. In a massive cumulative study involving almost 370,000 clerical workers on a variety of clerical jobs, we found that each of the eight aptitudes we examined was valid for *both* kinds of performance. Furthermore, the rank order of validity for performance in training and validity for performance on the job were very similar (the correlation was .77). Our study is the first of its kind; past studies have been based on small, and therefore unreliable, samples. We have no reason to believe the results would be different in other occupational areas. These results indicate that when you select people who will do well in your training programs, you are also selecting people who will do well later on the job.

The myth that the abilities helpful in learning a job are not necessarily helpful in performing the job has been used by enforcement agencies and some judges to attack selection procedures validated against measures of success in training. It has often been held that an additional study must be done showing that 1) the selection procedure correlates with job performance or 2) that training success itself correlates with job performance. These costly and unnecessary requirements have further fueled the fires of inflation.

MYTHS about the 'Unimportance' of Selection

These myths about the impact of selection on workforce productivity were originated by enforcement agencies, not by industrial-organizational psychologists.

MYTH: ***Selection procedures have very little impact on organizational productivity.***

The first myth is the belief that selection really has little impact on organizational productivity. From this, it follows that it does not really matter much what kind of selection procedures an organization uses. Selection procedures can be manipulated in order to achieve *other objectives.*

What is the reality? Recent research has shown that the productivity differences between high-performing and low-performing employees are much greater than suspected. For example, in our study of budget analysts, we found that the dollar value of productivity of superior performers (top 15 percent) was $23,000 per year greater than that of low performers (bottom 15 percent). For computer programers, this difference was about $20,000 per year. Multiplied by the number of employees and the number of years, these losses quickly move into the millions of dollars.

These findings mean that selecting high performers is more important for organizational productivity than previously thought. Research has firmly established that various mental skills and abilities are important determinants of performance on the job. When tests measuring those skills and abilities are dropped and replaced by the interview and other similar procedures, the proportion of low-performing people hired increases. The result is a serious decline in productivity. In research for the National Science Foundation, we have shown that this will be true not only for individual firms *but also for the economy as a whole*—that is, it makes a substantial difference in the Gross National Product. (A very conservative estimate is that improved selection and job assignment procedures in the U.S. economy would increase the GNP by $80 to $100 billion a year.)

As most are aware, the rate of growth in productivity in the U.S. has slowed markedly in recent years—from about 3.5 percent a year to zero or even negative rates. Economists know what *some* of the reasons for this decline are—for example, the slow-down in capital investment, a younger and less experienced workforce, etc. But they can't explain *all* of the drop. According to the *Washington Post* (January 13, 1980):

Much of the slowing of improvements in real incomes of workers is due to a marked slowing of gains in output per hour worked. Economists believe this drop in productivity gains is due to many factors, but after listing all they can think of and calculating their impact, they are left with a large, unexplained gap. In short, they do not know why productivity gains have slowed as much as they have.

As economist Herbert Stein wrote: *"We don't know whether ending inflation,* plus *reforming taxes,* plus *deregulating industry,* plus *anything else we might add to the prescription, will restore the pre-1973 growth rate (of productivity). The reason is simple. We don't know what made the growth rate slow down so markedly after 1973."*

A major reason for the "large, unexplained gap" is probably the decline in accuracy with which employers sort people into jobs. The evidence is very strong that, in response to pressures from Federal enforcement agencies, American employers have substantially reduced the use of valid tests of job aptitudes in hiring and placement of workers; many companies have abandoned the use of such tests entirely. Over a period of 8-10 years, this change manifested itself in lower productivity gains.

Example: Seven or eight years ago, General Electric decided to get the Government off its back by dropping all tests of job aptitude, and "getting their numbers right" in the hiring process. Like many firms, GE has a policy of promoting from within. About a year ago, several plants realized that a large percentage of the people hired under the new selection standards were not promotable. GE had merely transferred the adverse impact from the hiring state to the promotion stage. These plants have now resumed the tests (although they are having an outside organization do the testing).

Example: Some years ago, U.S. Steel selected applicants into their skilled trades apprentice programs *from the top down* based on total scores on a valid battery of aptitude tests. They then lowered their testing standards dramatically, requiring only minimum scores (equal to about the 7th grade level) on the tests and relying heavily on seniority. Because their apprentice training center kept excellent records, they were able to show that: 1. Scores on mastery tests given during training declined markedly. 2. The flunk-out and drop-rate increased dramatically.

3. Average training time and training cost for those who *did* make it through the program increased substantially.
4. Average ratings of later performance on the job declined.

All this means that the cost of producing a ton of steel increased, and American steel became less competitive with foreign steel. These examples are from the private sector, but the same principles apply to public sector employment.

MYTH: ***As long as you hire "qualified" people, it doesn't matter which applicants you hire.***
The myth that selection procedures don't really matter is sometimes presented in a more subtle and disguised form. In this form, the myth holds that as long as you hire "qualified" people, it doesn't matter whom you hire. This myth usually results in pressure on employers to set *low minimum qualifications levels*. This is essentially the system U.S. Steel adopted, with devastating results. Our research has shown that, unless the minimum qualifications standard is set quite high, such selection systems result in productivity decreases *almost as great as complete abandonment of valid selection procedures*. The problem is that there is no real dividing line between the qualified and unqualified: Employee productivity is on a continuum from very high to very low. A decline from superior to average performance may not be as visible as a decline from average to poor performance, but it can be just as costly in terms of lost productivity.

MYTH: ***You can confine reduced productivity to the employees hired under lower standards.***
Another probable myth is that if you hire less productive people to meet goals and timetables, you can at least confine the reduced productivity to the employees hired under lower standards. This proposition has not yet been researched specifically in the work setting. But findings in general psychological research indicate it is probably false; and in our consulting work, we have repeatedly run into strong anecdotal evidence that it is false. What probably happens is something like the following:
1. Job performance standards have to be lowered to accommodate the new employees with lower performance capacity in order to avoid mass terminations.
2. Employees whose abilities *are* well matched to the requirements of the job notice these reductions in performance standards and interpret them as changes in company standards.
3. They then reduce their own performance standards to the lowered level, reasoning that they should not be held to standards other employees are not held to.

This important social-psychological process should receive research attention from industrial psychologists, and in the future we believe it will.

MYTH: ***Most of the productivity loss from lower selection standards comes from minority group members.***
A corollary of this myth is that when selection standards are lowered, most of the loss in productivity comes from minority group members. *Actually just the opposite is true.* Typically, when selection standards are reduced, they are reduced across the board for all applicants—usually in order to avoid reverse discrimination suits. Since most people hired—about 85 percent on the average—are majority group members, the cumulative productivity loss from hiring less productive members is greater *in the majority group* than the loss in the minority groups.

MYTHS about 'Cultural Bias' in Tests.

These myths hold that tests of job aptitude are not appropriate for minority group members.

MYTH: ***Aptitude and ability tests do not measure the same things for minority groups as for the majority.***
The first myth is that aptitude and ability tests do not measure the same things for minority groups as for the majority group because of cultural differences between the groups. For example, if the meaning of test scores is fundamentally different for blacks, we would expect different correlations by race between test scores and job performance: Tests appropriate for whites might be inappropriate for blacks. The correlation—or validity coefficient—is essentially an index of how accurately a selection procedure ranks applicants on their future levels of job performance. Does the correlation differ by race? The research evidence is now overwhelming that it does not. *Even the enforcement agencies have now abandoned this particular myth;* differential validity studies are no longer required in the Uniform Guidelines. The belief in validity differences by race was based on an exaggerated concept of cultural differences between blacks and whites. Differences that do exist do not affect test validities. Recent research

shows that this conclusion also applies to Hispanic Americans.

MYTH: *A difference in average test scores between minority and majority groups shows the test is unfair.*

The second myth holds that although tests may validly rank blacks and whites on future job performance within each group, the difference between the *average* scores of black and white applicants shows the tests are unfair. This belief assumes that past discrimination and deprivation have led to lower test scores *but have not affected average job performance levels.* If this were true, aptitude tests would be unfair to blacks by the most commonly accepted definition of unfairness: the tests would predict lower levels of job performance for blacks than blacks actually turn in. Twelve years of cumulative research results show this is not the case. No matter how job performance has been measured—whether with ratings or objective job sample measures—the finding has almost invariably been that *lower average test scores are accompanied by lower average job performance.* The predictions made by the test scores are not too low. When all job-relevent abilities are measured, minority and majority group members with the same test scores have identical average job performance. The mistake lay in the assumption that test scores are "culturally loaded" but that jobs are not. *Job and job performance requirements are just as much embedded in general American culture as tests are.*

The myths of differential validity by race and test unfairness have been very useful to Federal enforcement agencies in their drive to eliminate employment tests. Despite strong objections from personnel psychologists, the present Uniform Guidelines still contain a requirement for test fairness studies. Since such studies are difficult to conduct, this requirement encourages employers to abandon valid tests.

The Future of Personnel Myths. In response to new research findings, personnel psychologists have abandoned or are in the process of abandoning these myths. The American Psychological Association's Division of Industrial and Organizational Psychology revised its standards on employment testing and selection in 1980 to reflect the new findings discussed above.

Yet there is at present no evidence that Federal enforcement agencies are ready to abandon the myths we have discussed. The legal mandate of these agencies is to ensure equality of **opportunity to individuals** regardless of race, sex, or national origin. Since enforcement agencies have instead embarked on an aggressive drive for equality of **results for groups,** with the goal of immediate *equal representation* of all groups throughout the occupational structure, these myths are powerful weapons which they so far are unwilling to surrender.

The Uniform Guidelines on Federal Hiring are now inconsistent with the selection principles of the APA Division of Industrial and Organizational Psychology, which has issued a formal resolution calling on the Federal Government to revise and update the Guidelines to be consistent with current research knowledge and professional practice. The APA Committee on Tests and Measurements has passed a similar resolution. A revised set of testing standards is also now being prepared by the APA as a whole. These will contain a separate chapter on employment testing, which will likely be similar or identical to the set of principles prepared by the industrial and organizational psychologists. If the Uniform Guidelines have not been revised by that time, it will be apparent to all that the enforcement agencies' standards are inconsistent with professional standards. Under these circumstances, the enforcement agencies' standards will lose credibility and will likely be ignored by the courts. The pressure to revise the Uniform Guidelines may become so great that it can no longer be resisted. And the new guidelines, one hopes, will be free of myths.

This article reflects the personal views and opinions of the authors and does not necessarily represent the position of the Office of Personnel Management. We encourage the submission, from responsible spokespersons, of articles in support of or opposition to the views stated in this article so as to provide our readers with varied points of view with regard to these issues.

Frank J. Schmidt is a personnel research psychologist at OPM and a research professor in the Department of Psychology at George Washington University. He is a fellow of the American Psychological Association and has published numerous research studies on problems in personnel selection (many with John E. Hunter).

John E. Hunter is professor of Psychology and Mathematics at Michigan State University. He has published numerous research studies on personnel selection, and in 1976 was joint recipient (with Frank Schmidt) of the APA James McKeen Cattell Research Design Award. As an expert witness, he has successfully defended selection tests in a number of recent court cases.

How to Work with Consultants

by Roger Lubin

In the past year, the management consulting profession has taken a beating in the media and in the halls of Congress. One can, in fact, with great certainty mark the very dnte that the term "consulting abuse" entered the language—the day Senator David Pryor chanced to share a cab with a group of consultants. Unaware of the Senator's identity, the consultants chattered about how they intended to gouge a certain Federal agency with padded charges and shabby work.

If that conversation was of professional interest to the Senator, it was music to the ears of Washington's investigative reporters. Here was an issue they knew would sell newspapers, help make political reputations, and revive lagging political campaigns.

Beyond the media impact and political hoopla, however, lie the real questions: Is there in fact "abuse"? Why does it happen? What can be done to prevent it?

Clearly abuses exist. Whether it is consulting abuse, client abuse, or some combination of the two is difficult to determine: where you choose to place the blame often depends on where you sit. In any event, whether blame falls squarely on the shoulders of unscrupulous consultants or should be shared by those Federal agencies who allow themselves to be victimized—sometimes quite docilely—is both problematical and philosophical, and not really the point of this article.

Stopping such abuse, however, is neither problematical nor diffieult. The process is simple and straightforward, and requires only a modicum of discipline and logic. For that small managerial investment, a conscientious client can expect to stretch consulting dollars further, and get better quality consulting as well.

Consulting assignments in the public sector generally involve investigating and diagnosing management problems, recommending and designing solutions to those problems, and quite often advice in implementation. If you are like most clients, you consider hiring a consultant primarily because:

- They offer fresh, objective perspectives.
- They've solved similar problems for others, and they are fast and efficient at what they do.
- They have developed, operating systems and procedures that you need and can purchase for a fraction of what it would cost to develop those systems yourself.
- They can devote full time attention to your problems.

As a client, your responsibility does not end when a contract is awarded. Two critical questions should be answered:

- How closely do I want to work with the consulting firm in order to learn their skills and pick their brains?
- How much of the work do I want the consultant to do, and how much do I want to do myself?

They are related. As consultants, we are *hired* to solve problems, although we are *paid* on the basis of the *time spent* on an assignment. Consequently, we are more than willing to do all of the fact finding and data gathering work on a project, as well as all of the administrative and "housekeeping" activities present in any assignment. Since clients are paying anywhere from $300 to $1000 per day for our services, and billing is the lifeblood of any consultant firm, we will gladly undertake all of the routine work along with the more glamourous analytical and creative activities, if only you authorize it. Cost control begins with proper planning . . . and two simple rules.

Rule Number One:
NEVER PAY A CONSULTANT TO DO WHAT YOU CAN DO FASTER AND CHEAPER.

Any project requires a range of skills, from elementary to sophisticated. At rates that can approach $1000 per day, ask yourself whether you really want to pay for work that your own staff could do just as well.

A simple case in point will illustrate this. My own firm specializes in the management of human resources. As a client, you might want us to evaluate and measure your organization's jobs, and help you to build an internally equitable and externally competitive salary administration program. The analytical and consultive process, however, requires comprehensive and up-to-date job descriptions as a vehicle for analysis. We could interview each of your employees to update position decriptions, and, based on completing about four interviews a day, you can quickly calculate how much that will cost.

If time is of the essence, if the positions being evaluated are particularly critical or sensitive, and there are not many positions to examine, this is a reasonable approach. Where cost is a critical element and there are many positions involved, we recommend that this task be a joint effort with us training your people to interview and write job descriptions. You could wind up with results that are almost as thorough by having employees prepare their own descriptions and having their supervisors approve the review. Rather than interview every employee, we would personally interview only those employees where for some reasons there is an unusual or unique situation.

Through this process, you would not only save money and time, but your staff would become part of the solution process! Thnt leads to your other Rule:

IF THE SHOE FITS, STEAL IT!

In other words, learn from the consultants. Make sure they transfer their know-how and technology to you. You should assign at least one or two members of your staff to the project for that very purpose.

Regardless of the kind of problems the consultants solve, the nature of the operating systems they will eventually install, and how much implementation support the consultants provide, at some point you will have to fly solo. Unless you consciously set out from Day One of the project to learn how the technology operates, and how to use and understand it, you are doomed to a "blackbox" solution. That is, you have the answer but don't know how it was arrived at. Consequently, you will have to return to the consultants again and again, faced with the same questions.

Every system, machine or human, requires some care and feeding. If you opt for a blackbox, you are buying either a lifetime of costly maintenance or a very short-lived solution—one which will wither and die on the vine of inattention.

Clients frequently and actively avoid learning from their consultant by taking the position that "We can never be as good as the experts are." That may be true; however, although I'm not nearly as good a mechanic as the fellow who services my car, I do know how to change the oil myself (remember Rule Number One) and I have also learned enough from him to ask the right questions (Rule Number Two) when something serious goes wrong. As a result, I'm able to keep him honest, as well as to make informed decisions about the kinds of problems I have neither the time, the tools, nor the know-how to solve myself.

Beyond following these two rules to assure cost containment and increase the knowledge and skills of your own staff, there are a few simple management principles to keep in mind. They will guarantee effective use of your consulting dollar.

Define the Problem Clearly—While a complete definition of the problem may be reached only after the consultant is on board, you should have studied the situation before retaining a consultant. You need to understand the nature of the problem *well enough to be able to estimate the potential value to be gained by solving it.* It is costly and time-consuming—and not necessarily productive—to hire consultants and send them on a fishing expedition. The basic boundaries of the problem as well as the dimensions of the solution should be thought through by management before a consultant is engaged.

Agree on Obligations and Accountabilities—Active client participation may vary with each assignment, but it is a necessary component in the success of every consulting undertaking. As a client, you are responsible for reviewing and understanding consultant recommendations which best meet your needs. Implementation support may be necessary, but keep in mind that you are still responsible for learning how—and to what degree—you can maintain whatever recommendations or systems are to be installed. System atrophy is a substantial management problem, although it is easily remedied with attention—and care. To facilitate this, it is often helpful to have the consultant make post-installation visits once or twice a year.

Selection and Supervision—In considering a consultant, first make absolutely certain he or she can do the job honestly and effectively, and that the firm has all of the resources to meet your project requirements. When you're completely assured of this, then consider costs. A *good job is cost effective by definition; a bad job is not!* While this may seem simplistic and axiomatic, it is surprising how many otherwise savvy clients confuse price with value when choosing a consultant. If you're considering a firm whose work you do not know well, go beyond a check of client references. Visit their office. Ask to meet the staff members *who will actually do the work*, as well as the proposed project manager.

Supervision requires firm direction and management. Plan for frequent meetings to review progress and problems, and to keep the assignment on track and within budget. Without such contact, you're likely to run into surprises—and find that you're a long way down the wrong road without enough of a budget to bring you back on target. You absolutely cannot—under any circumstances—hire consultants, turn them loose, and expect that they complete their work without any active participation on your part.

Recommendations and Results—Once you've reached a desired solution, do not let it sit and gather dust. Implement it, or the momentum gained through the consulting process will quickly revert to the inertia of business-as-usual. If you do not implement, you've wasted time and money. Putting proposals into action is a management responsibility. Though you may choose to keep the consultant on board to help the installation proceed smoothly, never lose sight of the fact that *you* are accountable for making the solution work. Once all that is done, you can begin to assess the results in terms of the quality and cost of the solution as well as in terms of the new skills your organization should have acquired by taking an active part in the consulting process.

I will gladly defer questions as to whether the Federal government spends too much money on consultants and who is to blame for consulting abuse to politicians and political philosophers; I cannot answer them. But I will make this statement with absolute certainty: Follow these two simple rules and four management principles, and you will retain control over any consulting assignment, get the most value for your money and add substantially to the new skills, knowledge, and capability of your own staff.

Roger Lubin is the Director of State and Local Government Consulting for Hay Associates, Washington, D.C. The Hay Center works exclusively with the non-Federal public sector, offering consultancy in a broad range of human resource concerns.

The author of many articles on management and productivity in the public sector, Mr. Lubin has worked in both state and local government in California, as well as in city government in Little Rock, Arkansas.

Values Analysis

Consideration of employees' values in the hiring and motivating process has drawn the interest of organizations striving to step up productivity without alienating the employee. Niles Howard's article in the March 1981 *Dun's Review* discusses psychologist Clare Graves' fourteen year study that attempted to establish society's definition of human maturity and reached quite a different goal.

The study, which tested dozens of concepts to explain patterns in maturity, led to the identification of seven systems involving a complex web of commonly held values. The seven value systems are both hierarchal and evolving and others will evolve in the future, Graves theorizes. As a person matures, he progresses from one value system to another, more or less duplicating the progress made by the species.

The seven systems are 1) subsistence, 2) tribalistic, 3) egocentric, 4) absolutistic, 5) achievist, 6) sociocentric, and 7) individualistic. The characteristics of each system range from a subsistence level desire only to stay alive to others which include, hierarchically: submission to a strong authority figure; brash and brazen individual; believer of morals, sacrifice, and discipline; aggressive and competitive; believer of social causes and goodwill; and finally, the maintainer of high standards, who responds to reason, not rules.

Graves finds few people reach stage seven, with most clustering around stage four or five.

Graves and his numerous disciples stress values analysis as a technique that attempts to identify the underlying values on which a person's behavior is based. By classifying employees according to different value systems, the theorists contend, it is possible for managers to predict how they will react to a given situation, and this knowledge can be used to make them happier and more productive on the job.

Graves disciple Donald Beck believes "most personnel problems occur because managers tend to have different values from their employees. At the upper levels of management, this imbalance can't be corrected, nor should it be, since different values are needed in a corporation." Rather, managers should be taught to recognize the various value systems among their employees and gear their management styles appropriately.

S.W.L.

Picking an Executive

Shooting from the hip, John Wareham spells out exactly what to look for in interviewing an executive candidate. Decidedly management-oriented, he minces no words in telling the interviewer how to achieve his aims.

Above all, learn as much as possible during an interview, counsels Wareham in "How to Judge an Executive Candidate" (*Across the Board*, October 1980). Specifically, find out the answers to three vital questions: "Can he do the job?" "If she can, will she?" "Will he be compatible with the existing corporate team?"

Although Wareham emphasizes the need to maintain a nonthreatening, free-flowing atmosphere during an interview, he wants to make sure the interviewer maintains the upper hand: Don't be duped. Be aware of anti-discrimination and affirmative action laws and be sure not to violate them. He also outlines how asking open-ended questions on value-oriented subjects can get a prospective employee to reveal feelings without being asked directly. An example of this type of open-ended question would be: "How do you feel about the apparently declining influence of parents on their children these days?"

Although common sense dictates that an interviewer must know what he is looking for, Wareham says interviewers are frequently not sure; therefore, any information obtained is useless.

To avoid useless information and ensure a realistic appraisal, Wareham suggests these three golden rules:

- People don't change. The values unconsciously acquired in early life become intrinsic to one's nature.
- The best guide to what an executive will do in the future is what he or she has done in the past.
- Obtain every piece of relevant (i.e., job related) information that you can. Wareham compares the hiring of a prospective executive to buying a $250,000 home. You wouldn't buy the house without inspecting every detail; therefore, find out all pertinent information about your potential executive—who might end up costing you more.

Wareham also lists key qualities to look for. The qualities he selects vary from the predictable (e.g., people with a lot of energy) to the unexpected (e.g., look for inner motivation based on family destiny). Determine what the prospective employee did with what she had (education, financial status or family); then subtract what she began with from what she has now (e.g., place and type of residence, type of education planned for her children). Then look at the difference (e.g., has she outstripped the status of her father and siblings, becoming upwardly mobile?).

Wareham expects the interviewer, not just the prospective employee, to be exhaustive in preparing for the interview. He lists precepts of appraisal; that is, not just knowing what to look for, but actually being able to recognize talent when one sees it. In order to see real talent, the interviewer must be able to distinguish authenticity from disguise or subterfuge.

Finally, Wareham tells how to conduct a revealing interview. Again, the emphasis is on preparation and knowing what you're looking for: "Be punctual." "Establish immediate rapport." "Let him talk and talk." "Add a little stress if need be." If all this sounds crafty, it is. Wareham isn't interested in making friends and sparing feelings. He wants to ensure that the interviewer gets the truest possible picture of the executive to be hired and the way to do that is to keep the ball in the interviewer's court.

E.A.S.

Short Takes

Bargaining Units Down, Workers Represented Up

The Office of Personnel Management's November 1980 figures have shown a reduction in bargaining units in the Federal sector. This reduction is linked primarily to 1975 amendments to Executive Order 11491, extended by the Civil Service Reform Act of 1978, calling for the consolidation of bargaining units. The number of units has dropped from 3,608 in 1975 to 2,636 as of November 1980 for a total reduction of 972 units or 27 percent. In 1979 the figure was 3,081.

This latest decline has been attributed to considerable consolidation of units within the Veterans' Administration and the General Services Administration. The average size of the Federal bargaining unit has risen to 474 employees, up 141 or 42 percent, from 1975. Last year, the average size was 404.

The number of non-Postal employees represented under these bargaining units has stabilized at 61 percent or 1,249,999—the highest figure to date.

OPM's annual report on labor organization recognitions and negotiated agreements shows that 82 percent of all units are now covered by agreements. The number of employees covered by negotiated agreements has increased from 1,148,822 to 1,167,265 or 93 percent of all employees under exclusive recognition. In total, 57 percent of non-Postal employees were covered by agreements as of November 1980.

Blue collar employees' exclusive recognition units decreased in 1980 by 1,566 to 375,141 or 86 percent representation. In contrast, white collar employees' exclusive units increased by 5,577 to 874,858, which constitutes 54 percent of this group.

L.I.A.

Pace Rescheduled

The Professional and Administrative Career Examination (PACE) has been rescheduled for nationwide administration between October 28 and December 12, 1981.

The PACE, which covers approximately 118 positions at the entry levels of GS-5 and GS-7, is extremely competitive. In fiscal year 1980, of 67,806 who took the written test, 43.8 percent passed. Only 4,674 were hired from the PACE register during that period.

Originally, March and April dates had been planned for the test, but when the Federal hiring freeze was imposed in January, the Office of Personnel Management (OPM) felt that a postponement would give a clearer picture of the employment needs of Departments and Agencies.

Although the freeze has been lifted, agencies will be reducing their workforce at varying degrees over a period of time. The PACE will be used to fill slots in agencies that will be able to fill entry level jobs in 1982.

Applications are being accepted at OPM Job Information Centers from September 14 through October 13. Those who pass the examination will be placed on the PACE registers for referral to Federal agencies by mid-January 1982. Requests from agencies for certificates of eligibles should be delayed until mid-December.

Still pending is the final court approval of the proposed settlement of a lawsuit challenging the legality of the use of the PACE. The settlement provides for the PACE to be phased out over the next three years.

L.I.A.

Plight Of The Staffing Specialist

"Here are all kinds of employers wanting all sorts of servants, and all sorts servants wanting all kinds of employers and they never seem to come together."
Charles Dickens

The William A. Jump Memorial Award

In May, two civil servants received the William A. Jump Memorial Award for exemplary achievement in public administration. In its 32nd year, the award was established to commemorate William A. Jump, a Director of Finance and Budget Officer of the U.S. Department of Agriculture who retired in 1948, ending a career that he began there in 1907 at the age of 15.

A highly respected leader in and out of the Federal Government in the field of public administration, Jump made many notable contributions as a lecturer and participant in seminars on theory and the practice of budgetary administration at such institutions as the American University, Harvard, Princeton, Syracuse, Mt. Holyoke and North Carolina. He was a member of the organization which formed the American Society for Public Administration and of many important Department of Agriculture policy, organization and program committees, and was also active in establishing, administering and serving as a faculty member of the Department of Agriculture Graduate School, to name a few of his activities.

The William A. Jump Memorial Foundation, which makes the award, recognizes young men and women who have demonstrated leadership, creativity and exemplary achievements or contributions to the efficiency and continuing upgrading of public service. The award focuses primarily on line or staff activity and covers the spectrum of personnel administration, budgetary and financial administration, administrative analysis, all management and administrative planning activities, and the executive planning and direction of programs.

Nominees must be career employees of the Federal government and must meet certain criteria—the first being that they will not be 37 years of age as of December 31 of the year of the award.

This year's co-recipients were Marcia E. Williams, Director of the Special Pesticide Review Division, Environmental Protection Agency, and Robert P. Blanc, Director of the Center for Computer Systems Engineering, Commerce Department.

Williams' contribution included the improvement of the quality and effectiveness of environmental regulations and improvements of the management of the pesticide process.

Blanc's major contributions involved the use of computers. Through the formulation and leadership of the Government's computer networking standards program, he succeeded in improving the Federal computer standards program.

L.I.A.

MSPB Review of Penalty

The Merit Systems Protection Board (MSPB) recently issued a decision concerning its review of penalties imposed by agencies in adverse action decisions. This decision resolves one of the most controversial questions raised under the Civil Service Reform Act (CSRA) of 1978. It addresses three important issues: (1) the relevant factors that should be considered by an agency in selecting a penalty; (2) the standard it will use in determining whether the penalty assessed by an agency is appropriate; and (3) the Board's authority to mitigate a penalty selected by an agency.

Relevant Factors to Consider In Assessing A Penalty

Perhaps the most significant aspect of the Board's decision is the guidance it provides to agencies on selecting an appropriate penalty. The basic premise underlying the decision is that an agency must make a *reasoned* choice when it imposes a disciplinary measure and must document that choice adequately. Thus, an agency must evaluate all the relevant factors surrounding an individual case before it selects a penalty and should explain that evaluation in its decision letter. If the decision letter contains an analysis of the considerations weighed by the agency in selecting a particular penalty, the Board has indicated that it will defer to the agency choice.

According to the Board, the following types of factors should be considered by the agency: the seriousness of the offense in light of the employee's duties; whether the offense was intentional; the employee's past disciplinary and work record; the consistency of the penalty with the agency's table of penalties and with penalties imposed on other employees for similar offenses; and other mitigating circumstances. Further, the Board expressly rejected the idea that these factors should be applied in a rigid manner. Instead, an agency should be guided by the concept of "practical realism" and select disciplinary measures based on the variations of individual cases.

Standard of Review

In reviewing a properly documented agency decision to select a particular penalty, the Board held that neither the MSPB nor its Presiding Officials could substitute their judgment for that of the agency manager. Thus, the Board rejected the argument that an agency must support its choice of a penalty by a preponderance of the evidence. It held that the selection of a disciplinary measure involves an exercise of management discretion and this discretionary choice should not be disturbed by the Board unless it is arbitrary, capricious, unreasonable, clearly excessive or abusive. The Board, however, also held that the agency must establish any *facts* supporting its discretionary decision by a preponderance of the evidence.

The Board decision also provides guidance concerning the burden of proof on the penalty issue. According to the Board, the ultimate burden of establishing that a penalty is appropriate rests with the agency. If the penalty is not challenged by the appellant, the agency need only establish a *prima facie* justification for its action. This justification may include: (1) proof of the facts on which the penalty was based; (2) a concise statement of the agency's reasoning; and (3) a showing that the penalty conforms to applicable law or regulation. However, if the appellant does challenge the penalty, or if the Presiding Official perceives some genuine issue casting doubt on the propriety of the penalty, the agency will be required to present further evidence to support its action.

The MSPB also set out instructions to its Presiding Officials who have the initial responsibility for reviewing agency decisions. It has directed its Presiding Officials to include a "reasoned explanation" of their decisions to sustain or modify a penalty whenever the propriety of the penalty has been placed in issue. Further, the Board noted that a Field Office decision involving the propriety of the penalty, like other issues, is subject to review by the full Board.

Mitigation

Finally, the Board held that it does have the authority to mitigate a penalty. This authority was primarily based on the fact that the Civil Service Commission assumed the right to mitigate penalties in appropriate circumstances. The Board believes that this authority was transferred to it under Reorganization Plan No. 2 of 1978 and that it was confirmed by the CSRA. However, the Board recognized that agency managers must have considerable discretion in selecting a specific penalty and indicated that it will uphold the agency manager's choice of penalty based on a minimal showing of reasonableness. This holding should ensure that agencies will retain the necessary flexibility to deal with disciplinary problems.

In Brief, a regular summary of news on legal matters of interest to government managers, is prepared by Margery Waxman, General Counsel, OPM.

Legislation

Information on legislation of interest to managers and supervisors is prepared by the Office of Congressional Relations, OPM.

Budget Reconciliation

In recent weeks, most of the activity on Capitol Hill has been related to President Reagan's Economic Recovery Plan. Much of this activity has focused on the President's proposals to reduce Federal spending and the congressional reaction to those proposals. The legislative process for translating comprehensive spending reduction proposals into real program budget cuts centers on a complex device known as "*reconciliation*". As we go to press, Congress is laboring with the details of reconciliation. We thought it would be useful to provide an explanation of this aspect of the budget process since the success of the President's program to cut spending depends largely on the outcome of the reconciliation proposals.

Under the provisions of the Congressional Budget and Impoundment Control Act of 1974, Congress is to pass a joint resolution setting general spending targets, or limits, in May of each year. This year, in developing the joint resolution for fiscal year 1982, the Senate essentially approved the package of spending cuts initially recommended by the President. In the House, the President's original proposal was replaced by a substitute (the Gramm-Latta amendment). This substitute was ultimately endorsed by the President and passed by the House with considerable bipartisan support. Senate-House conferees then agreed on a joint resolution. This resolution—known as the first fiscal year 1982 budget resolution (House Concurrent Resolution 115)—included instructions telling House and Senate committees to achieve approximately $36 billion in spending cuts for fiscal year 1982 (with further cuts in FY 83-84). In other words, the committees were to "reconcile" actual spending with the budget resolution by revising programs under their respective jurisdictions. The resolution contained recommendations as to where the cuts should be taken. Committees were to consider the reconcilintion targets and to draft legislation making specific reductions with some latitude to make the savings where they saw fit.

It should be noted that a joint budget resolution is *not* law; political pressure is essentially what forces the committees to produce the budget savings. Despite the existence of real enforcement measures, most committees met or exceeded (at least technically) their allotted reconciliation targets. The committees' decisions were packaged in an omnibus reconciliation bill to be handled on the floor of the House and Senate by the budget committees. Only when a reconciliation bill is passed by both houses and sent to the President do the budget cuts become law.

This year, the budget process is a drama worth watching.

Repeal of IPA Provisions

The Office of Personnel Management (OPM) has forwarded to Congress a legislative proposal to amend the Intergovernmental Personnel Act (IPA) of 1970. The bill repeals OPM's authority to make grants to State and local governments. Pending as S. 1042, the bill would also abolish all statutory merit personnel requirements established as a condition of the receipt of Federal grants-in-aid by State and local governments.

The Administration has determined that the elimination of the IPA grant program is necessary as part of the overall effort to reduce government spending and to reduce the number of categorical grant programs. Abolishing statutory merit requirements in the 19 Federal grant programs is part of an overall Administration goal to reduce Federal regulation and control of State and local government activities. It is estimated that elimination of the IPA grant program will reduce the Federal budget by $5.6 million in fiscal 1981 and $20 million for each year from fiscal 1982 through 1986.

This bill does not modify in any way the temporary assignment authority under Title IV of the Intergovernmental Personnel Act. This "mobility" authority provides for the temporary assignment of personnel between Federal agencies and State, local, Indian tribal governments, and certain other organizations for work of mutual concern and benefit.